LEADERSHIP CHALLENGES IN CONFLICT MANAGEMENT IN ORGANIZATIONS

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Abstract: Conflicts are part of our everyday lives, and they occur both in private and work environment. In every organization, we face conflicts. In order to enable the organization to function better, it is important to manage conflicts correctly. The purpose of the research is to check what types of conflict management are used by employees in the organization and whether and how managers manage conflicts. The results show that a culture of avoidance dominates the organization in question, so we suggest that both employees and managers learn how to properly manage conflicts, which would lead to a better organizational culture in the long run.

Keywords: conflict, HRM, organization, management

JEL classification: 015, D23, D74, M54

IZAZOVI LIDERSTVA U PROCESU UPRAVLJANJA KONFLIKTIMA U ORGANIZACIJAMA

Sažetak: Konflikti su deo naše svakodnevnice, prate nas i u privatnom i radnom okruženju. U svakom obliku organizacije suočavamo se sa određenim konfliktima. Radi pravilnog i uspešnog funkcionisanja organizacije, veoma je važno da se konfliktima upravlja na odgovarajući način. Cilj ovog istraživanja se odnosi na pružanje odgovora na pitanja koji se način upravljanja konfliktima najčešće primenjuje od strane

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zaposlenih, odnosno na koji način rukovodioci upravljaju konfliktima. Rezultati istraživanja ukazuju na to da se u okviru istraživane organizacije dominantno neguje kultura izbegavanja, te se preporučuje dodatna edukacija zaposlenih i rukovodića o najboljim načinima upravljanja konfliktima. Pomenuto će dovesti do uspostavljanja bolje organizacione kulture koja će biti održiva u dužem vremenskom periodu.

**Ključne reči:** konflikt, menadžment ljudskih resursa, organizacija, upravljanje.

### 1. INTRODUCTION

Even though humans have never been so connected through all the modern social networks and new communication tools, many people still feel lonely and excluded. Conflict situations often arise because we have problems communicating our needs, wishes, demands, and goals. Conflicts, as an inevitable part of everyday communication, both in a private and work environment, arise due to the diversity of our personalities, needs and priorities, (Skupnjak, 2020). Therefore, managing and successfully resolving conflicts is of utmost importance. Since we have to live with conflicts daily, it is good to know how to adapt so that the resolution process occurs with as few complications as possible (Klopčić, 2017).

According to research conducted by the American historian Slater, managers spend as much as 20% of their work hours solving and managing conflicts (Yi, 2019). Understanding conflicts and the different ways to resolve them helps us successfully implement the set strategies, cooperate more, understand each other, and reach decisions more easily. With an appropriate way of solving them, they can also bring positive results, such as new ideas, the acquisition of new knowledge and a broadened view of different situations. Successful management and resolution of conflicts is crucial in understanding people in a private and business environment, as only effective communication contributes to better mutual understanding and cooperation.

Conflicts in companies are also connected with the ways of communication which are guided by the company's culture and internal rules. Even in the business world, conflicts are an inevitable part of the process that we can influence to unfold in a way that brings us as much benefit as possible - this is called conflict management. An important part of conflict management is communication. Communicating correctly is the responsibility of each individual, but it is not always an easy thing to do.

Successful conflict management is an important skill that helps individuals and organizations successfully bridge all differences, cooperate better, and grow even more personally.

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The company management should ensure that the employees have sufficient knowledge of all methods of communication and that they are familiar with the culture that dominates the organization because only in this way can they best adapt the way they communicate so that they can better and more easily cooperate and perform within it.

2. CONFLICTS

There are many definitions of the concept of conflict. According to Možina, Rozman, Tavčar, Pučko, Ivanko, Lipičnik, Gričar, Glas, Kralj, Tekavčič, Dimovski, & Kovač (2002), conflict is "opposition that arises due to incompatible goals, thoughts, feelings in an individual or between members, in a group or organization". Lipičnik (1996) claims that conflicts in coordinating goals are constantly present in the company.

According to Iršić (2004) the very word conflict evokes unpleasant feelings for many people because conflicts often represent something painful, harmful and undesirable, even though conflict could also be viewed in a completely different way. But conflict does not only have unpleasant consequences. It can also have positive consequences that can provoke progress in organizations if managed correctly. Conflict has as many as seven positive qualities, which would seem to be used as opportunities in creating our future and which, to a certain extent, we could even wish for (Lipičnik, 1996) because conflict indicates problems, eliminates stagnation, leads to new insights, strengthens group, requires solutions, comes from different interests and is the root for change. Conflicts are, therefore, divided into constructive and destructive (Schermsherhorn, Hunt, & Osborn, 1994). With a deeper understanding of conflicts, we can successfully learn tactics that will help us manage them more easily.

An additional problem at work is that we work with people we have not decided that we want to work with. In that context, Rozman, Kovač and Kolektnik (1993) emphasized the role of the leader-coordinator, who has the knowledge to successfully handle and manage conflicts and the willingness of the participants to cooperate.

After reviewing the extensive literature, we see that ideas about conflict differ. What they all have in common is that they imagine the conflict as a discrepancy between people's needs. In the organization, this becomes even more apparent, as each department has a different way and content of work, and thus also different priorities and needs.

Since conflicts are inevitable, learning how to resolve them is very important. For this step, however, two conditions must be met. We must understand how
conflict arises and create an appropriate climate that primarily emphasizes the positive qualities of conflicts (Lipičnik, 1996). Rozman et al. (1993) define different stages of conflicts: perception of conflict, determining the conflict situation, reaction to a conflict situation, interaction with the opposite party, and interaction results.

3. CONFLICT MANAGEMENT

Considering the inevitability of conflict, it is also important to know how to deal with it and direct it in such a way that we get as many positive and as few negative consequences as possible from it. This is even more important in an organization because we must work with the people around us every day for many years.

Conflict resolution management deals with measures that reduce, mitigate, or resolve conflicts (Možina et al., 2002). Factors affecting conflict management in an organization focus mainly on three aspects: organizational level, organizational culture, and organizational justice (Yi, 2019).

Cultural background, cultural environment, cultural system, values, and so on are also important antecedents that influence the management of conflicts (Yi, 2019). The research by Thomas, Thomas and Schaubhut (2008) showed that the higher the level in the organization, the more the way of coping with competition and cooperation increases, and the way of coping with avoidance and relocation decreases.

Effective conflict management improves the performance of employees in the organization, and the organizational conflict management system affects both the performance of employees and the entire organization (Olu & Abolade, 2014). It is extremely important that the management understands its organization and knows the strategies or methods of conflict resolution depending on the individual conflict situation (Taur, Gaikwad, Bochare, Talware, Ashtaputre, Bhutekar, Sheikh, & Ambhore, 2022).

Successful conflict management can stimulate the learning of individuals and groups and increase effectiveness in the organizational environment. According to Lipčnik (1996) people who live in a conflict environment are very active because the desire to achieve something makes a person more active.

3.1. CONFLICT MANAGEMENT MODELS

There are different conflict management models (Etele & Akunne, 2023). There are functional and dysfunctional conflicts for which different conflict management styles or techniques are used (Mills & Mene, 2020). Raja,
Manickam, Sudha and Vinay (2023) argue that conflicts can be resolved creatively and respectfully by using conflict management techniques, resources and skills.

Blake and Mouton’s (1968) model of conflict management and distinguishes five types of reactions: avoidance – the conflict is not addressed by leaders; moderation - both sides can coexist peacefully or in harmony in a conflict, but the real causes of the conflict remain unresolved; the power of pressure – leaders start from their position of power, both conflicting parties are forced to cooperate; compliance - the most practical way to resolve a conflict, as both sides in a conflict must come to an agreement or submit, and neither side wins; confrontation – a more active way of managing conflicts, which thoroughly resolves conflicts, as both sides actively face the problem.

Later, Rahim (1983) divided conflict management into five types that were often used: avoidance, submissiveness, dominance, cooperation, and competition. Tjosvold, Hui and Yu (2003) divided conflict management into three categories: integration, competition and avoidance. Chen, Chen and Zhang (2006) transferred conflict management to Chinese culture and proposed three categories: coordination, consent and confrontation.

Možina et al. (2002) defined that the key ability of a successful manager is certainly the ability to resolve conflicts. They described 5 possible approaches to conflict: method of avoidance – intention to withdraw from the situation or remain neutral; method of adaptation – tendency to reduce personal needs, emphasis on common interests; method of dominance - the tendency to use power to get others to agree to the offered solution; the way of agreeing to compromises - the tendency of individuals to sacrifice some interests in order to reach an agreement; method of agreement - the tendency to identify the causes of conflicts and jointly search for appropriate solutions.

One of the most used methods and theories in the field of conflict management comes from Thomas and Kilmann (1974; adapted from Kilmann diagnostics, 2023), who divided conflict management into five different ways from the point of view of caring for oneself and others involved in the conflict. These are competition, cooperation, avoidance, accommodation and compromise. Traditionally, researchers have also named these styles as strategies or behavioural orientations that individuals adopt when dealing with conflicts in organizations (Barki & Hartwick, 2001).

The model describes two dimensions: assertiveness, which determines the degree to which an individual is ready to satisfy his needs, and cooperativeness, which determines the degree to which an individual is willing to meet the needs
of others. Therefore, the five possible types of conflict management of an individual are torn between self-care and care for others (Thomas & Kilmann, 2008). It has to be pointed out that None of the identified five conflict management types is right or wrong. In principle, every individual uses all five types in scratching, and which one will dominate depends on personality traits and the situation (Šubic, 2017; Thomas & Kilmann, 2008).

There are many different questionnaires to measure types of conflict management. “Thomas-Kilmann Conflict Mode Instrument” or TKI (Thomas and Kilmann, 1974, cited in Kilmann diagnostics, 2023) is most often used. It involves choosing between statements in pairs. Other instruments, including Rahim's organizational conflict inventory II (ROCI-II) (Rahim, 1983) and Dutch test for conflict-handling (DUTCH) (Euwema & Van de Vliert, 1990), use a Likert scale (Šubic, 2017).

The advantage of taking the TKI test is self-awareness: the person learns which conflict modes they may be using too much (usually out of habit) and which they may use too little (Kilmann, 2018). Kilmann (2019) claims that after taking a TKI test and receiving the results, most people realize that they have overused one or more methods out of habit – they have chosen the one that suits them better, even though other methods might have given them more satisfactory results. The TKI test results can also be used to study how a person manages internal conflicts, not just interpersonal or workplace conflicts (Kilmann, 2022a).

### 3.2. IMPORTANCE OF LEADERS’ MANAGING CONFLICTS

Conflict management styles are an important part of an individual's behaviour in interpersonal conflicts, as the style used by an individual can have a positive or negative effect on the economic results associated with interpersonal conflicts in a business context (Gunkel, Schlegel, & Taras, 2016).

For successful conflict management, managers must be well-educated to understand that conflicts are not necessarily always destructive and that with appropriate management, any conflict can become constructive. Managers need to know their employees and their conflict management styles, as this is the only way to successfully guide employees through conflicts, regardless of whether they occur at the same or different hierarchical levels.

Therefore, the leader must be aware of the positive and negative effects of conflict for his intervention to be effective (Šubic, 2017). Companies' management defines the boundaries between acceptable and unacceptable behaviour (Hucyzinski & Buchanan, 2013).
Adeoti, Babatunde and Sanjo (2020) argued that although conflict in an organization is inevitable, it must be understood that disagreements between employees and employers must be managed through mutually agreed upon mechanisms to a reasonable level that enables employee creativity and performance and the organization as a whole.

Mismanaged conflicts can quickly spiral out of control due to real and legitimate differences between people, resulting in situations where collaboration breaks down and the missions of individuals and teams are compromised, ultimately affecting the organisation's effectiveness, growth and development (Qadir, 2020).

The question we need to answer is how organizations use their conflict management to achieve a fair level of harmony and maintain the smooth functioning of organizational activity (Stephen Sunday & Pojwan, 2022).

4. METHODOLOGY

The present research was conducted in August 2023 in one of the largest companies in Slovenia’s information technology (hereafter IT) market. For objective reasons, the company's name will not be revealed. We distributed a survey among the company’s employees and conducted interviews with managers on the topic of conflict management. To measure conflict management, we used the TKI questionnaire (Thomas & Kilmann, 2008).

The respondents were employees in departments that act as support services for the company: accounting, internal IT, legal and finance. They all belong organizationally under the same umbrella group, which shares the same values, culture and leadership.

The company where we conducted the research employs a total of 30 people. The sample included 23 respondents who filled out the entire questionnaire. 11 of them were men and 12 were women. The average age was 44.48. The youngest employee was 24, while the oldest was 63 years old. The average length of service in the company among the surveyed employees is 16.22 years. After receiving the survey results, we also interviewed four managers who are superiors to the surveyed employees. We asked them how they deal with conflicts, how they manage conflicts that arise, and about their conflict management performance.

Based on the described theory and previous studies, our research aimed to determine how conflicts are managed in this organisation. The purpose of the
research was also to find out how managers deal with conflicts and how they manage them.

5. RESULTS

Conflict management types were measured for all 23 respondents based on the TKI questionnaire (Kilmann & Thomas, 1977; adapted by Šubic, 2017). A maximum of 12 total points was possible for each type of conflict management – adaptation, cooperation, competition, avoidance and compromise. We then calculated the total points from the number of repeated selections of each type of conflict management on the percentile scale given in Table 1., which defines the number of responses for a more, medium or less pronounced type (Thomas & Kilmann, 2023).

Table 1

Percentile scale

<table>
<thead>
<tr>
<th>Type</th>
<th>High</th>
<th>Medium</th>
<th>Low</th>
</tr>
</thead>
<tbody>
<tr>
<td>Avoidance</td>
<td>from 12 to 8</td>
<td>from 7 to 5</td>
<td>Less than 4</td>
</tr>
<tr>
<td>Compromise</td>
<td>from 12 to 10</td>
<td>from 9 to 6</td>
<td>Less than 5</td>
</tr>
<tr>
<td>Adaptation</td>
<td>from 12 to 7</td>
<td>from 6 to 4</td>
<td>Less than 3</td>
</tr>
<tr>
<td>Cooperation</td>
<td>from 12 to 9</td>
<td>from 8 to 5</td>
<td>Less than 4</td>
</tr>
<tr>
<td>Competition</td>
<td>from 12 to 7</td>
<td>from 6 to 3</td>
<td>Less than 2</td>
</tr>
</tbody>
</table>

Note. Adapted according to TKI questionnaire.

Based on the percentile scale above, we calculated the results about the expression of each type. In our sample, we found that most employees in the selected company have a highly expressed conflict management type of avoidance, followed by adaptation and compromise. In contrast, the fewest have a highly expressed type of competition and cooperation. We present the results in Table 2.
Table 2

<table>
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<th>Percentage of employees by type of conflict management.</th>
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<tbody>
<tr>
<td></td>
</tr>
<tr>
<td>Avoidance</td>
</tr>
<tr>
<td>Compromise</td>
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<tr>
<td>Adaptation</td>
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<tr>
<td>Cooperation</td>
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<td>Competition</td>
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Note. Authors' calculation.

Based on our findings, we can conclude that a culture of avoidance and compromise dominates the company.

6. IMPLICATIONS

Every member in an organization can be viewed as a problem manager, the nature of which can be usefully categorized into five steps: (1) problem detection (considering whether there is a gap between "what is" and "what could or should be"); (2) problem definition (discovering the root cause of the gap); (3) derivation of solutions (ways and means of filling gaps); (4) implementation of solutions (effective use of the chosen solution in a living, breathing organization); (5) evaluation of results (re-evaluation of whether the gap still exceeds the threshold of acceptance) (Kilmann, 2022b).

Managers see conflicts as more destructive than constructive, so they try to avoid them, and the company culture follows suit. Based on the results, it can be seen that the culture of avoidance prevails. Adaptation and compromise styles follow, also reflected in the leaders' answers.

According to Klimann (2022c) we hope that CEOs will realize 'ordinary' conflict is very costly to the organization if not managed well (absenteeism, poor decision-making and problem solving, etc.), as the costs for more extreme forms of dysfunctional behaviour and conflict management are even greater and also more exhausting for the organization members.

In a certain conflict situation, we must choose the right type of conflict management and use its advantages effectively to get the most out of each conflict. By knowing the differences in conflict management between internal and external perspectives, we can then examine and determine whether high or
low use of intragroup conflict modes is needed for group and organizational success or whether conflict resolution is compromised by dysfunctional aspects of the group and organization systems (Kilmann, 2018).

According to the results of the survey and interview with managers, the first suggestion for improvement would be awareness of conflict and the fact that some conflicts can also be constructive. Then, both managers and employees should be introduced to the different types of conflict management that everyone has because this is the only way we can manage conflicts optimally. Once you have passed the stage of learning about conflicts and self-awareness about them, it is important to practice this many times and thus become aware of it.

It would be important for both employees and managers to realise it is important to choose an appropriate style when solving each conflict individually since choosing the right style often results in a positive outcome.

It would also be important to tell new employees about the company's culture and the culture that dominates conflicts. In the organization, they tend to avoid conflicts. Thus, an individual who is excessively inclined to compete can only make matters worse and later be dissatisfied because he cannot resolve conflicts in his way.

As we know, ineffective conflict management can lead to misallocation of energy among employees and communication problems, which can lead to lost opportunities if conflicts are not addressed in a timely manner (Shabani, Behluli, & Qerimi., 2022). For concrete steps, we suggest that the company conduct education on the topic of conflicts, where employees can learn what conflict is and take TKI tests so that they can start on the path of self-awareness, which, according to Kilmann (2018) is the first of five steps, through which we need to be able to use the results of the TKI tests and thereby change the behaviour of employees. The second step is to share the results in a small group and get feedback on how others see our behaviour in the conflict. The third step is to learn one of the types of conflict management and use it in a specific conflict situation. The fourth step is to practice effectively using each type of conflict management. The final fifth step is to constantly improve our understanding of the key characteristics of conflict situations, how we choose and implement different ways of conflict, and how we can create more trust and supportive communication in both private and work environments.
7. CONCLUSION

In our private lives, we can choose what kind of people we surround ourselves with, while in the business world, it is not so, as we must cooperate regardless of possible differences in beliefs. It is important to resolve conflicts and thereby mitigate the negative consequences after each conflict arises. Employees in organizations have interesting relationships that can be compatible or contradictory, and they can also change several times a day.

We live in a dynamic environment where the new needs of individuals are always developing, and our priorities change rapidly because change is the only constant in life. The values that existed and prevailed until now have been replaced by others that are more dynamic and oriented towards man as an individual and putting himself and his well-being first.

If we accept the conflict with a positive approach and allow ourselves to look at the challenge from several angles, it can also open up new insights and ways of looking at it. In doing so, we also respect the other side in the conflict because we recognize we all have different interests and are different, which is often correct. After all, this force pulls us forward after changes.

Because certain people's priorities, wishes and needs differ from ours, this often leads us to conflict. Conflict situations also often arise due to insufficient and inappropriate communication. Learning about different ways of solving and approaching conflicts will help us manage them more easily and get the best out of them.

Kilmann (2022d) said that in his experience, most of the conflicts we experience come from the system – not the people. This means that it wouldn't be long before the same conflicts arise, even if you change employees in the organization and give the new employees enough time to learn their jobs and tell them what is expected of them.

Since conflicts are inevitable, it is important to learn to recognize and deal with them because only in this way will we be able to have better mutual relations in the long run. Bao, Zhu, Hu and Cui (2016) stated that we can avoid negative additions and resolve conflicts when they are still in the initial stages if we treat others with respect, use the right tone in communication, actively try, and put ourselves in the other's shoes. These are the methods by which we can solve or prevent conflicts.

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