A Conceptual Model for Conflict Management in Construction Firms

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Abstract
Conflict is intrinsic to individuals, teams, contractual relationships and organizations. It is inevitable in most construction projects given their unique and complex nature and the presence of various parties and multi-functional teams. The construction project environment is, therefore, an appropriate environment to explore conflicts and its management. The differences between conflicts and dispute are highlighted within the paper. Theoretical approaches of conflict and management are discussed to reflect their dynamics in organizations. Conflict and its management within the construction project environment are reviewed. The review leads to formulation of key research questions. A model on conflict processes, causes and management is identified and proposed for further research. The paper concludes by highlighting the direction of future research.

Key words: conflict, construction, management, organization, project, team

1. Introduction
Construction activities are multi-party operations that often generate a complex web of contracts. The principal parties include the host government, clients, contractors, consultants and employees (Perez, 2002). Each party contributes something different, but towards a common goal. Their efforts must therefore, pull in the same direction, and their contribution must fit together to produce a whole – without gaps, friction, and unnecessary duplication. Failure to meet these requirements often results in friction, frustration and conflict within the team (Drucker, 1989).

Construction activities are performed by people with different skills within and across organisations who must share knowledge for optimum decisions. The activities of these organisations, individuals, and groups of individuals are also coordinated to ensure an orderly
flow of work schedules. Teamwork is a prerequisite for organizations within any construction project environment for the successful delivery of a project (Steward and Barrick, 2000; Baker and Salas, 1997; Guzzo and Dickson, 1996; Samuel, 1996). Conflict between project participants has been identified in various construction industries as being the principal causes of poor performance in construction projects. These conflicts occur at the organizational interface level where project participants with different organizational cultures which define their approach to work and relationships come into contact with other project participants (Ankrah and Langford, 2005). The conflict problem encountered in construction projects lead to prolonged delays in implementation, interruptions and sometimes time suspension. Awakul and Ogunlana (2002) further argued that conflict continues to maintain its highly explosive character due to factors such as presence of different groups, large investments and low profits which characterise construction activities.

The purpose of this paper is to explore the theoretical dimensions to the understanding of conflict and its management within organizations such as the construction environment. Key concepts and definitions required for the research are clarified. Basic concepts of the functional and dysfunctional aspects of conflicts and conflict management strategies have also been presented. Key research questions and a conceptual model based on conflict management theories have also been proposed.

2. Conflict and Disputes
The difference between conflict and dispute is often unclear, although the terms “conflict” and “dispute” have been used to describe similar situations especially in the construction industry (Acharya et al., 2006). Conflict and dispute share same sources, such as information, resources, individual behaviour/ personality clashes and inter/intra organisational issues. However, according to Fenn et al., (1997) the terms “conflict” and “dispute” are two distinct notations. The term “conflict” is known but it is often used interchangeably with disputes. This often generates confusion, which gets in the way of learning. To enhance the management of conflict, it is appropriate that the term conflict is distinguished from dispute.

Conflict is defined by a variety of factors, such as individual differences in goals, expectations, and values. Pondy (1967) asserted that conflict could be as a result of an affective/ subjective state (for example, stress, tension, hostility or anxiety) or a cognitive/ objective state (that is,
perception, or awareness of a conflicting situation). Other researchers suggested that conflict could be related to behaviours such as struggles, battles or clashes, goals, values or any entities (Liu, 1995; Kerzner, 1989; Reichers, 1986; Robbins, 1978; Litterer, 1966). An outstanding aspect of conflict is that it is practically intrinsic to individual life, groups and teams.

A dispute is associated with distinct justifiable issues (Barrie and Paulson, 1992). It is a product of conflict. A dispute looks backwards, concerns a specific issue, and involves the taking of positions and blaming and expectations for results that satisfy the survive-and-prosper impulse. Conflict that is neglected or mismanaged almost always leads to disputes, which cost a lot to resolve, in terms of business relations, time, money and job progress. The resolution process may lend itself to third-party intervention such as mediation, arbitration and court (Acharya et al., 2006).

In summary, conflict is a word that includes disputes, but on has a broader connotation, including such things as relationship, strain, workplace stress that have not yet surfaced as a dispute. Likewise, management of conflict includes resolution plus other initiatives such as prevention and containment (Ury, 1999).

2.1 Towards a definition of conflict

As an inter and multidisciplinary field, conflict and its resolution draws from the theory and search of the more traditional disciplines of sociology, psychology, social psychology, political science and anthropology. This list is neither exhaustive nor ordered according to relative importance, but it demonstrates the diversity within the field. According to some perspectives, this diversity shows the inherent strength of conflict and its management, as it enables an integration of concepts, theories and lessons in conflict analysis and management techniques. For others, its diversity only contributes to the terminological chaos in the field (Fast, 2002; Conner, 1994).

The concept of conflict is bound in complexity. No single general theory exists that is acceptable to social scientists in their respective discipline (Dougherty and Pfaltzgraf, 1990). Pondy (1967) for example focused on the individual’s affective/subjective state (for example, stress, tension, hostility or anxiety) or a cognitive/objective state (that is, perception, or awareness of a conflicting situation). Other researchers also suggested that conflict could be defined in relation to behaviours such as struggles, battles or clashes (Litterer, 1966), goals (Liu, 1995; Kerzner, 1989),
values (Reichers, 1986), interpersonal dynamic shaped by internal/external environments (Appelbaum and Shapiro, 1998) or any entities (Robbins, 1978). No matter how it is defined, an outstanding aspect of conflict is that it is practically intrinsic to the life, groups and teams. Conflict is present in interpersonal relations (Pruitt and Carnevale, 1993), in intra-group and inter-group relations (Jehn, 1995), in strategic decision-making (Amazon, 1996) and other organisational episodes (De Dreu and Van de Vliert, 1997; Pondy, 1976).

3. Conflict: Traditional and Contemporary Concepts

In sociological perspectives, theoretical research on conflict is based implicitly or explicitly on two approaches, the “functionalist perspective” and the “conflict theory”. The functionalist school traced to Auguste Comte, Hubert Spencer, Emile Durkheim, Malinowski, Bronis Law, Radcliffe Brown, Robert Merton and Talcott Parsons, likened society to an organism with inter-related parts, kept together by consensus and cooperation. Harmony and cooperation are seen as the natural state of human affairs and so conflict, which destroys consensus, is negative and destructive and thus, must be avoided (Rollinson & Broadfield, 2002; Farley, 2000).

On the other hand, conflict theory which arose primarily from the work of Marx and continued by Wright Mills and Dahrendorf have the underlying assumption that conflict reflects conflict in society as a whole, as society is made up of groups with competing interests. This occurs because wealth and power are distributed unequally, so different social groups have different and conflicting interests, that is, between the interest of those who own an enterprise and those who simply work in it. One major historical form of organizational control structure is lodged in occupational status group, with two sub-types; the crafts guild and the professional group. The power of the craft guild is based on the monopoly over practical expertise and has control over a still largely secret knowledge based. The autonomous professionals of collegially and peer-controlled status group provide services to clients based on control over theoretically and scientifically increasingly rationalized knowledge based (Heydebrand, 1977). Both groups gain additional power from the use and sale of services produced under conditions of task variability and complexity which may lead to conflicts as witnessed in the construction industry.

Current views on conflict correspond to what McKenna (1994) calls the interactionist perspective. Conflict is seen as neither good nor bad, just inevitable. It recognizes that too much conflict will hamper an organisation’s welfare and absorb a great deal of energy that could be devoted to doing other things. However, it also accepts that where no conflict exists, ideas are
never challenged, and these stall any impetus to change things for the better. All the concepts on conflict give confirmation that conflict is inevitable in all social structures, including organizations. Therefore conflicts in an organization can be better examined taking into consideration the historical processes that gave rise to them.

3.1 Conflict in Organisations

Early studies on conflict in organizations were made by American and British scholars. Organisational conflict has often been defined as an overt struggle or interference between two or more groups in an organization, between two or more organizations (Katz and Kahn, 1978). Responses to conflict, such as avoidance behaviour, the development of cultural norms, and emotional behaviour represent much of the reality of conflict in everyday organizational life (Kolb and Putnam, 1992).

Among the earlier theories on organizational conflict, one finds the work of Marx, who looked at organizational conflict based on social contradiction, class struggles, and control (Marx and Engels, 1996). Other classical and foundational views on conflict as an organizational phenomenon (Thomas, 1976) suggest that conflict falls into two models, the Process Model and the Structural Model. The Process model views conflict in terms of internal dynamics such as frustration, communication, personal variables, interaction and outcomes and the Structural model identifies the parameters that shape conflict episodes such as behavioural disposition, social pressure, incentive structure and rules and procedures (Robbins, 1989; Schweiger et al., 1986). Pondy (1967) also developed a model to analysis conflict processes and conflict outcomes by treating them as elements of “conflict episodes”.

Conflict episode was theorized as having five distinct stages (1) antecedent conditions; (2) latent conflicts; (3) perceived conflicts; (4) manifest conflicts; and (5) conflict aftermath. The primary antecedent conditions in organizations according to Pondy, involved competition over scarce resources, individual or subunit effort to achieve independent, and differences among goals held by different individuals and/ or different subunits. From these theories and models, one realizes that there is no single model or mechanism that well explains conflict in organizations. In view of this, there is thus the need to understand the dynamics of conflicts in organizations considering the complexities of each defined organization such as the construction industry.
3.2 Dynamics of conflict in organizations

In the early days of management research and theorizing, conflict was viewed as a negative and undesirable aspect of organizational life (Robbins, 1978). Conflict meant there were differences of opinions, alternatives views which needed to be considered, and opposing points of views to be studied (Hellriegel et al., 1995). Conflict creates difficulties, such as communication between individuals, it breaks personal and professional relationships, and reduces effectiveness in output because it produced tension which distracts team members from the set goals in the organization (Medina et al., 2005). However, there are times when conflict must be addressed regardless of the apprehension they create as there may be positive outcomes in conflict situations for the parties involved. Even though some researchers depict conflict primarily as disruptive and dysfunctional rather than contributing to social order, others state that conflicts irrespective of their negativities have positive outcomes such as yielding a clearer definition of different options and positions; an avoidance of one part dominating the agenda; facilitating an identification and resolution of key interest; providing a more active engagement in negotiations; and the use of trade-off and concessions that allow both sides to secure their highest priorities. Kreisbery (1998) similarly identified greater equity and stability that arise from what he terms “constructive conflict”, while Putnam (1997) concluded that conflict often increases communication among parties.

Coser (1956) distinguished as being either realistic or nonrealistic. Realistic conflicts are conflicts based in disagreements over the means to an end or over the ends themselves. In realistic conflicts, the interaction focuses on the substantive issues the participants must address to resolve their underlying incompatibilities, such as not agreeing on terms of settlement. Non realistic conflicts are expressions of aggression in which the sole end is to defeat or hurt the other. Participants in nonrealistic conflicts serve their own interest by undercutting those of the other party. He argued that because nonrealistic conflicts are oriented toward the expression of aggression, force and coercion are the means of resolving these conflicts. Realistic conflicts, on the other hand, foster a wide range of resolution techniques – force, negotiation and persuasion. Although this analysis is somewhat of an oversimplification, it gives an insight and suggests essential contrast between productive and destructive conflict interaction (Deutsch, 1973).

Conflict has been said to be “inevitable” in human relationships with its constructive component contributing to synergy (Hughes, 1994; Rhys Jones, 1994). In this context Gardiner and Simmons (1995) not only saw conflict as “a major component in project management strategy in
construction industry”, but also demonstrate the need to “shift the distribution of conflicts occurrences from one that peaks during construction, to one that peaks in the earlier formative stages of design when the output of conflict is more likely to be more creative and complementary to the overall project.

3.3 Conflict management approaches

The debate over whether conflicts should be settled, resolved, transformed or managed has the primary goal of reaching an agreement, restoring harmony to an organization or relationship and improving the parties’ ability to face challenges together in the future. “Management” of conflict includes resolution plus such initiatives as prevention and containment. Thus, the term “conflict management” includes dispute resolution and goes beyond it (d’Estree et al., 2001; Lynch, 2001; Ury, 1999; Bush and Folger, 1997).

The main alternatives conflict management approaches are two-dimensional in nature (Rahim, 2002; Thomas and Kilmann, 1974; Blake and Mouton, 1964). In each of these approaches, either four or five conflict-handling strategies or styles are plotted within a two-dimensional space. For example, the Thomas and Kilmann (1974) model conceptualises five conflict-handling styles (competition, compromise, accommodation and avoidance) based on two basic concerns: “concern for self” and/or “concern for others”. competition (high concern for self and others), compromise (moderate concern for self and others), accommodation (low concern for self and high concern for others), and avoidance (low concern for self and others). Research provides strong support for the dual-concern model. Studies have shown that multidimensional plots of interrelationships indicate that the five conflict style fit in two-dimensional space, supporting the dual-concern approach. The motivating concerns depicted in this approach shows that “Concern for self” is strongly associated with a competitive strategy, “concern for others” is highly related to an accommodative strategy. Both “Concern for self” and “concern for others” contributes a small amount of variance to the choice to either collaborate or compromise (Van de Vliert and Euwema, 1994). Apart from the Thomas and Kilman model, Sorenson et al (1998) also proposed the “concern for relationship” dimension. This explains the variance for those who make the choice to compromise and collaborate. Thus, we see competition is motivated by “concern for self”, accommodation is motivated by “concern for others” and both collaboration and compromise are motivated by “concern for self”, “concern for others” and “concern for relationships”.
Another view of the dimensions underlying the dual-concern model looks at distributive or integrative intent (Lewick and Litterer, 1985). The distributive dimension (competition-accommodation) represents either extreme taking from others when competing, or extreme giving to others when accommodating. It represents a “fixed-pie” mentality, the assumption being that if one party wins, the other loses. Competition is concerned with position and winning. It focuses on strategically withholding information and using tactics to manipulate others to capitulate resulting in resistance, defensiveness, resentment, tension, and anger. Accommodation focuses on understanding the concerns or desires of others and accepting them (Jehn, 1997). The integrative dimension (collaboration-avoidance) addresses the extent to which all individuals concerns are incorporated into solutions. The collaborative end of the integrative dimension represents a cooperative attempt to “expand the pie” or to generate solutions satisfactory to all. Collaboration involves open discussions of ideas and attempts to understand others and thus, the cooperative endeavour that promotes positive relationships. The avoidance end of the integrative dimension is a withdrawal from cooperation since it ignores the concerns of involved individuals and leaves conflict unresolved, as such associated with weak relationships. Compromise fits well in the distributive dimension because it fits the fixed-pie rationale, and also can also be viewed as the midpoint on the integrative dimension (Sorenson et al, 1998).

The current view of conflict management is the use of conflict stimulation, which has the view that there can be benefits in stimulating a degree of conflict within an organization (Jehn, 1995; Amason and Schweiger, 1994). In situations such as this, the matter needs to be handled in a very careful and controlled way so that matters do not go too far and result in something that is highly dysfunctional. A great deal seems to depend on the type of conflict existing in the organisation. This conflict can either be Relational conflict (conflict in interpersonal relations) or task-focused conflict (conflict within groups about how it should complete its task). Studies suggest that people find relational conflict highly stressful, and so it often evokes strong emotional responses that lower productive efforts. Conversely, mild task-focused conflicts tend to result in a more rigorous examination of things done, which can lead to innovation, productivity and satisfaction (Jehn, 1997; Amason, 1996).

The considerable disillusionment with traditional dispute resolution approaches, such as negotiation, arbitration and litigation has led to experimentation with, and the development of various forms of alternative resolution techniques such as mediation, conciliation, adjudication, mini-trials, “rent-a-judge” and expert determination. Some forms of dispute avoidance have also
been introduced in the construction sector, such as “partnering” (Quick, 1994). Since forms of dispute avoidance are preventative to the approach of conflicts, it is useful to explore the origins of conflict, to trace their causative patterns that will point to the critical areas to be addressed. More effective management strategies can be developed on this basis. For instance, Colin et al (1996) studied 483 conflict events from 21 recently completed projects covering five main project procurement options for private, public and local authority clients. The study revealed a correlation between the type of procurement method used and types of conflicts. It also exposed the gaps in the available knowledge of sources, causes and effects of conflicts in construction. It consequently established the need for effective conflict management strategies within the construction project environment.

4. Key research questions

In the light of the above, it brings to bear the following key questions:

1. “does conflict affect project performance”
2. “how can construction firms select and use conflict management approaches to effectively manage conflicts in construction projects”

This raises the need for research to explore how construction firms:

- can strategically identify the causes of conflicts
- establish the type and level of conflicts within construction projects
- explore the approaches to conflict management within the team environment
- develop effective mechanism/model to manage conflicts in the organisation

Within the organizational research, researchers have drawn extensive about conflicts and its management. Conflict management models have retained a more traditional view of “two-dimensional models”. For one, the notion of four and five conflict handling styles or strategies have dominated. For others, apart from the few works studying the intergrative and distributive intent in conflict management, the focus has been on the “dual-concern” strategies (Rahim, 2002; Sorenson et al, 1998; Jehn, 1997; Lewick and Litterer, 1985; Thomas and Kilmann, 1974; Blake and Mouton, 1964). These however, are unitary conflict management approaches and the focus has been on one level analysis only.

Another challenge related to the study of conflict management models concerns the interconnections of conflict factors and dispute resolution models, which though view conflict
management in a broader dimensions has limited options and processes (Jehn, 1995; Amason and Schweiger, 1994; Quick, 1994). Lynch in 2006 argued that conflict management has gone beyond Alternative Dispute Resolution (ADR) and moved into the using of preventive management and resolution approach of conflict.

These research findings have led to the argument that a comprehensive analysis of the interplay of “conflicting” factors (disputes, relationship strain, workplace stress) and its effective “management” (resolution, containment, prevention, management) cannot be isolated from organizational research.

Kelly and Nicholson (1980) developed a conflict process and causation model and Lynch (2001) also developed a conflict management approach to address the issue of conflicts within organisations. The Kelly and Nicholson’s model even though designed for industrial organizations, focused more on the pre-conflict issues with a stress on power and politics. It did not address the issue of conflict and conflict management processes. The Lynch model designed for all organizations focused on conflict management without looking at the causal factors. There is therefore no integrated model that looks at conflicts within the construction industry linking pre-conflict/causal factors actual conflict and management of these conflicts. From the conflict and conflict management theories, a new conceptual model, the Construction Conflict Management Model (CCM Model) shown in Figure 1, is thus being proposed that would link the pre-conflict/causal factors through to its comprehensive management within the construction environment.

![Figure 1. The “CCM” Model (Adapted from Kelly and Nicholson (1980) and Lynch (2001)).](image-url)
This is intended to explore the causal factors taking into consideration the internal and external factors and level and type of these factors, the conflict process and the outcomes with a view to effectively assess and manage conflicts in construction firms.

This integrative model looks at the causal factors (pre-conflict) underlying conflict situations, taking into consideration the Push and Pull factors which causes it to come into being, how the conflict situation changes with time and the mechanisms for the multi-level management of conflict.

5. Conclusions and further research
Conflict has been said to be inevitable in human relations, teams and organizations. The construction industry is perceived to be adversarial in attitude due to the coordinated effort of temporarily assembled project team, and therefore appropriate to explore conflict. Conflicts must be beneficial to individuals, teams and organizations. To apply the right conflict and its management concept, the terminologies “conflict” and “dispute” which are used interchangeably but are fundamentally different, must be clearly distinguished. A clear understanding of conflicts will enhance its management.

The identification of theoretical approaches to conflict, conflict in organizations, the dynamics of conflict and a conceptual model based on conflict and its conflict management theories will lead to efficiency in delivery and taking proactive measures in reducing and resolving conflicts. There is also the need to go further to investigate the causal factors of conflict and explore its management approaches within in construction projects settings. The next stage of this research will be to conduct in-depth interviews with construction consultants, clients and contracting organizations who have been involved in the management of conflict. The interviews will explore conflict types, causes and management approaches. The data would be used to further identify issues that need to be addressed for more effective project team performance.

6. References


