INFLUENCE OF CONFLICT MANAGEMENT IN ORGANIZATIONAL ENVIRONMENT

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1. INTRODUCTION

Nowadays, conflict is a significant issue in the business environment. Since the rise of Alternative Dispute Resolution (ADR) over the last four decades, there has been another significant development, an approach to dispute resolution called conflict management. The most influential idea in the theory of conflict management is that of Conflict Management Systems (CMS). In the workplace setting, this term refers to the differences of point of views and the conflicts between individual employees and their employer; among individuals; and between groups of employees, whether unionized or not, and their employer. It is recognized that the management of workplace conflict can have beneficial effects for employers, employees, and other stakeholders in the business.

But, what is a conflict? Conflicts are situations in which two or more people are in disagreement because their positions, interests, needs, desires and values are incompatible or are perceived as incompatible. Emotions and feelings play a very important role and relations between the conflicting parties can beneficial or damaging depending on the resolution process.

In organizations that adopt conflict management systems approaches, members do not simply wait for workplace disputes to occur and then decide, case-by-case, what technique or dispute resolution method they should use to resolve it. Instead, these organizations develop policies and procedures designed to assist in addressing conflict in a manner that is consistent with their broader goals and objectives, for example: recruiting and retaining top talent, and encouraging innovation and creativity. The most sophisticated programs of this type are called "integrated conflict management systems".

Research in the conflict management discipline says that conflict in the workplace is on the rise and will continue to grow. However, many leaders and managers are not fully aware of the structures and processes available to manage it. Moreover, the absence of integrated conflict management systems within most organizations, dissatisfaction with antiquated grievance systems, and rigorous empirical studies concerned to test theory are few so far. For all these reasons, I think that this issue is an important field to go in-depth.

In terms of the structure of the work, it includes the following sections: I will start with a brief introduction of the origin of the CMS and its evolution until today. Second, I will introduce the two trends that criticize these conflict management systems. Third, I will explain in detail various aspects in relation to conflicts, such as different types of conflicts or some orientations to solve them, and the five orientations of K. Thomas in conflict resolution. Fourth, I will analyze the two key factors to successfully manage conflicts. Then, the exposure of the case: *Caso Repsol Portuguesa: cómo vencer la resistencia al cambio*. Specifically in this section, I will analyze the case based on the various aspects that have been discussed throughout the work. Finally, I will make a critical analysis of both the current and future trends of the CMS, from the knowledge

The main goals I intend to achieve by means of this work are:

1. To review the literature on conflict management, its evolution and impact on organizations.
2. To analyze the type of conflict in an organization and what are the most common solutions.
3. To analyze the importance of both culture and communication in order to face the conflicts that arise in an organization.

2. THE EMERGENCE OF CONFLICT MANAGEMENT SYSTEMS

Conflict management systems have their origin at the end of the decade of the 80s, when some experts in conflict resolution internationally well-regarded, decided to use their experience and knowledge in this field to help their customers to create new methods for conflict resolution.

Motivated by the desire to find less expensive solutions Fisher and Ury (1981) were working each on their own to develop new methods and procedures for dispute resolution. They faced a lot of different challenges: which aspect should have the new systems, who should use them, what kind of alternative should be provided, how procedures and motivations should be structured and, finally, which are the skills and the knowledge necessary for people to use the new alternatives.

Since the 1990s, the literature on conflict management in organizations has been focused on the concept of conflict management systems. The theory of conflict management systems proposes a series of generic design principles for conflict management in unionized and nonunionized firms that depart significantly from classical approaches to managing conflict, which some proponents see as amounting to something of a paradigm shift in both theory and professional practice. Lipsky et al. (2003) in one of the area´s canonical texts, *Emerging Systems for Managing Workplace Conflict*, refers to the emergence of conflict management systems as a "new paradigm for organizations", linked with an emerging new social contract between stakeholders in the workplace.

Arguably, the main claims of conflict management systems theory were developed in Ury, Brett, and Goldberg´s, (1988; 1993), *Getting Disputes Resolved: Designing Systems to Cut the Costs of Conflict.* Ury et al. (1988; 1993) proposed a theory of "dispute systems design" based on a distinction between three primary methods of dispute resolution and six principles for setting up dispute resolution procedures. First, conflicts might be handled and as last option resolved through "power-based methods", this method depends on who is stronger. Perhaps, nowadays the strike is the only form of conflict resolution based on the use of force that is seen in organizations. Second, they might be handled through "rights-based methods", where the parties seek a resolution on the basis of rules or principle in collective agreements, such as write down or in legislation concerning employment rights. Here are included litigation and arbitration. Third parties such as the arbitrator and judges determine who are right in a particular dispute, taking as reference the contract, custom or law. Finally, disputes

could be addressed on the basis of "interest-based methods", where the parties seek to identify and accommodate their needs or "interests" through joint problem solving and associated techniques. With this method we can identify the "why" of a problem or issue and then use method-based methods on such principles to achieve solutions that are mutually acceptable and satisfactory. These solutions take into account the interests of all parties. An interest-based approach involves practices such as mediation, facilitation, and other joint problem-solving initiatives.

Ury et al. advocate the primacy of interest-based workplace conflict management on the grounds of being less costly (generally speaking, in terms not just of money) and more capable (responds to a larger number of concerns of the parties) than methods based on rights, which in turn are less expensive and represent a more satisfactory solution than methods based on force. At the same time, it is also recognized that interest-based methods may not always be optimal or effective and that dispute resolution systems needed to be designed to provide low-cost rights-based methods as a backup to interest-based methods.

Once analyzed the three primary dispute resolutions methods, we are going to see the distinction between this three methods links forward to Ury et al. (1988; 1993) six principles for setting up dispute resolution procedures. The first principle advocates a preference for dispute management that puts the emphasis on interests and associated dispute resolution practices (inspire the use of interest´s methods, as negotiation and mediation). The second principle advocates the provision of "loopbacks", whereby the parties in a dispute are not constrained to move in a linear way through a formal dispute resolution system. They can opt to return from rights-based methods to interests-based or more informal methods (Parties can go back to low cost methods like negotiation). The third principle involves the provision of rights- and power-based backups to interests-based processes, such as, for example, dispute resolution procedures or arbitration.

The fourth principle promotes consultation in designing dispute resolution practices and systems and the use of post dispute feedback to bring about ongoing improvement in processes and systems. The fifth principle advocates that dispute resolution processes should be arranged in a "low to high cost sequence", involving the use of methods such as negotiation, mediation, or conciliation before arbitration or others forms of adjudication. The sixth principle advocates the development of the motivation, skills as well as resources necessary to support the effective use of the procedures and processes put in place.

2.1. EVOLUTION OF THE METHODS OF CONFLICT RESOLUTION

Over the last two or three decades, many, if not most, organizations have undergone a dramatic transformation in the scope of corporate goals, employee rights, and the way in which work is organized. A brief list of the most important factors would include globalization and an increasingly competitive business environment, the restructuring of the economy (particularly the decline of manufacturing and the growth of the service sector), technological change and the near-universal use of the internet.

Specialists in the field of conflict management agree that a hallmark of the transformation of employment relations has been the decline in the importance of hierarchy and the rise of team-based work. This has caused that organizations have less supervision by the responsible toward the needs of the workers and fewer job classifications (sometimes only two or three). It delegates a broad range of responsibilities to the work team (including, in some cases, the authority to hire, discipline, and make job assignments), and even provides for them to change their job assignments periodically (job rotation). It also uses a flexible and contingent system of compensation and provides ongoing training and opportunities for upgrading skills.

As explain Cathy A. Constantino and Christina Sickles (1997) in his book *Diseño de Sistemas para enfrentar Conflictos* designing conflict management systems is not radical or revolutionary. It is simply a step in the evolution of the historical development of dispute resolution and conflict management. According to the reasoning of Sickles and Constantine (1997) in his book the continuous process of evolution of the resolution has four quadrants (Table 1), which represent how organizations have historically evolved in its position in relation to conflict management (Figure 1).
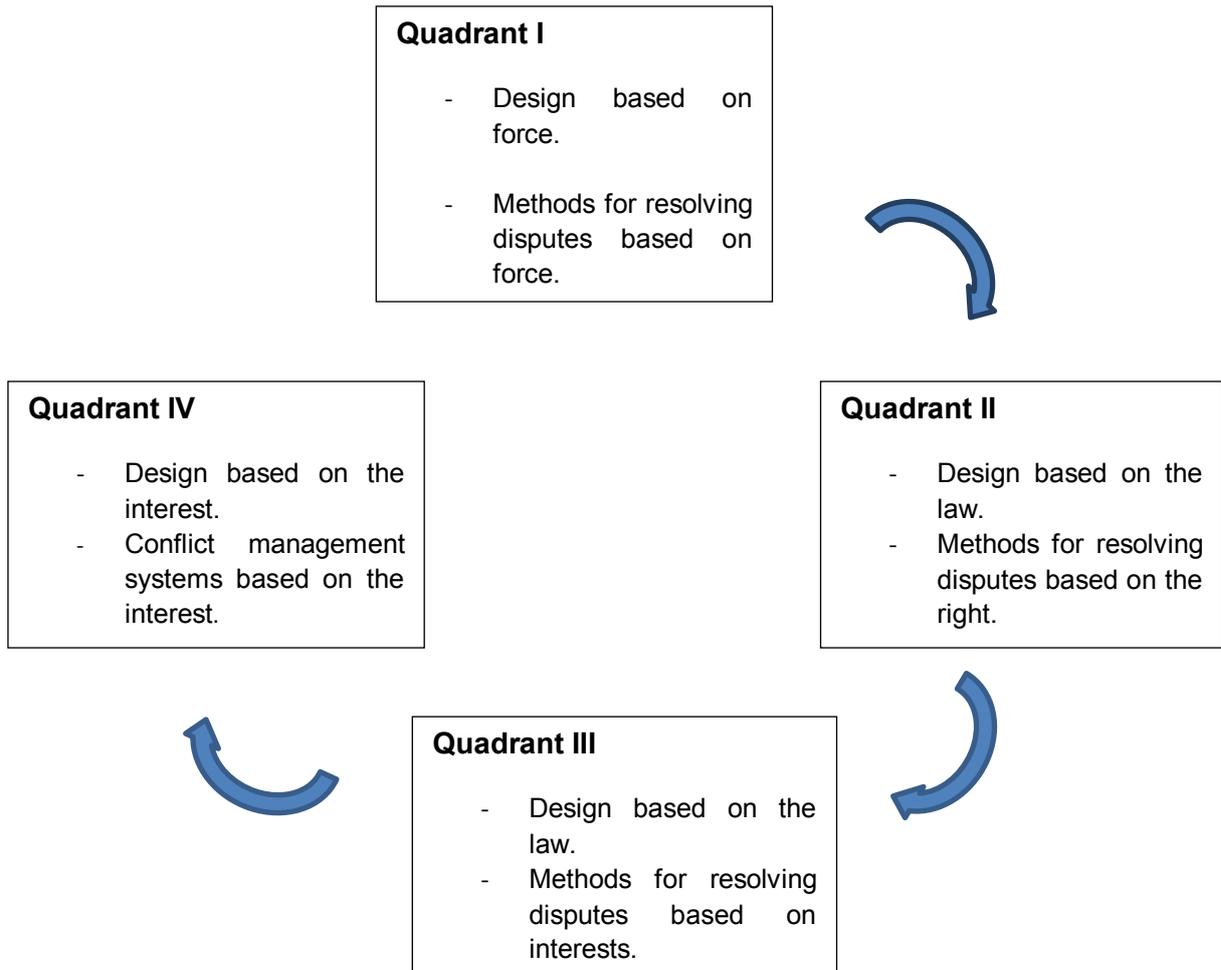
Figure 1. Evolution of conflict resolution

Source: Constantino, C. A. and Sickles C., 1997. *Diseño de sistemas para enfrentar conflictos*.

Currently, the organizations have a trend in opt for Quadrant IV in search of conflict management resolve, that is, they use methods of resolving disputes based on the interest, and it is created through processes of design systems that reflect this approach.

Figure 1, shows how organizations with a view to improving their ability to addressing conflicts, have evolved through different principles starting with the principles of force (quadrant I), subsequently evolved toward principles of right and interest (quadrant II and III) and finally conflict management systems (quadrant IV) in the design process.

In Quadrant I, organizations have one main goal, which is to survive, being workers, competitors in the business environment, aspects with zero importance compared with the survival of the company. This results in many cases in the fact that the owners of the company who risk their capital to take further benefit from it, want to have the right to dominate all facets of the company. In this environment, disputes are considered as a serious threat.

In Quadrant II, the rights that are imposed to all people have a very important role. At this stage in the evolution of conflict management, organizations try to avoid such disputes because they involve a cost too high for them. The usual way is to give legislative frameworks to determine who has the right and then, defend those rights through litigation and the Courts.

In Quadrant III, organizations use interest-based dispute resolution methods but they are designed in a way based on the right. Interested parties are outside the process, that is, the organization designs and decide for itself, not taking into account interested parties, but often following the advice of "experts" in the field. The problem is that these interest-based methods are often imposed or are often required through right- based methods, with little or no one involvement of institutional stakeholders or individual. Resistance to this method can also be derived from the lack of information from the parties about the change and because they do not know how it will affect to this dispute. The parties may also be concerned about the purpose of the new system, because this may have been designed as a smokescreen to dilute their rights.

Quadrant IV: nowadays most organizations use this type of system; is the next generation in conflict management. Using the principles of system design based on the interest conflict, to create methods for resolving disputes based on interests, gives coherence to the equation that has been historically absent. This coherence makes the system more stable and more satisfying, and makes parties more prepared to use it.

The Participatory design processes in Quadrant IV suggest us that the results of conflict management systems are optimal and last longer over time. It is a design approach that leads to greater understanding and awareness of the participants in the system and shows that the causes of conflict are systematic, integrally connected. Through this system encourages conflict resolution systematically, increasing the capacity of the organization to learn about itself through the ongoing development of areas of disagreement. It also allows system participants the chance to put into practice all skills interest- based and techniques for work together to find a solution for the problem, that stakeholders will need for successfully using the system. Thus,

participants become partners in the task of identifying, understanding and addressing their disputes and they also have a greater interest and assume more responsibility in the conflict management system.

As a result of the previous paragraph we can discuss the 5 essential characteristics of conflict management systems:

1. *Broad Scope*: The system should provide options for all people in the workplace, including employees, supervisors, professionals, and managers, to have all types of problems considered.

2. *A Culture of Toleration and Early Resolution*: It should welcome or at least tolerate dissent and encourage early resolution of conflicts though direct negotiation.

3. *Multiple Access Points*: Employees should be able to identify the individual, department or entity within the organization that has authority, knowledge, and experience from which they can obtain advice about the system and how to manage the problem in question.

4. *Multiple Options*: The systems should have rights-based and interest-based options for employees to consider.

5. *Support Structures*: Strong support structures should coordinate and manage the multiple access points and multiple options. Essentially, these structures should bring conflict management "into the organization´s daily operations".

2.2. DIFFERENCES BETWEEN THE DIFFERENT METHODS OF CONFLICT RESOLUTION

Then, with the help of a table we can observe the differences among the four quadrants.

Table 1

Comparison of Conflict Management Systems

	Quadrant I	**Quadrant II and III**	**Quadrant IV**
Identity of the designer	Authoritarian-reactive	Expert-imposed	Derived from stakeholders
Attitude toward contact	Avoid disagreements	Accommodate	Acceptance
Conflict analysis	Aleatory	Rational	Realist
Methods of conflict management	Control	Judgment	Collaboration
Primary efforts	Institution	Single cases	Stakeholders
Role of key actors	Figures of power	Suppliers	Partner

Note. Source: Constantino, C. A. and Sickles C. (1997). *Diseño de sistemas para enfrentar conflictos*.

The differences are significant in the different quadrants, so then we will discuss the most relevant ones.

With regard to the **identity of the designer**, the quadrant I use an authoritarian-reactive system which is characterized in the fact that problem solving is dealt by those who are in charge of the organization and they are who impose decisions to solve. Quadrants II and III use an expert-imposed system usually characterized in the use of external experts in the organization to diagnose problems and design a new system to address and solve the problems. With regard to quadrant IV, is used derivatives stakeholder systems, characterized in that stakeholders are actively involved in the design, that is, stakeholders can be guided by an expert or specialist.

Regarding to the second point, the **attitude toward contact** refers to how the organization sees the conflict in its various forms. In Quadrant I, the favorite method of conflict management is to avoid disagreements; conflict is seen as a sign of challenge to authority. In Quadrants II and III, disputes must be accommodated to the "extent" of the law, legal practice or other standardized initiatives for conflict management; that way, disputes are accommodated. It is common for these organizations to have big problems with disputes, which may be related to the personality of the parties, the culture of the organization, and practices of the entire system because such disputes do not fit into the existing framework. In quadrant IV systems are totally different to the previous due to the acceptance of conflict as inevitable and natural, in this system the conflict is seen as an opportunity, not as an obstacle. These organizations design flexible approaches to address conflict, facilitate the participation of the parties in the system and provide a range of options for resolving disputes. In this last quadrant is given too much importance to the prevention of disputes, and the capacity development for participants in the system may experience a wide range of options in their efforts to solve problems.

Focusing on the various **methods of conflict management** that uses each quadrant, we can see that in quadrant I, organizations seek to manage conflict: avoid them, eradicate them, limit them and deny them. The fear of the system is the possible loss of control; its challenge is to manage the conflict in any way possible, though making it involves a higher overall cost to the institution and individuals. In systems Quadrant II and III organizations develop criteria to address conflicts, which are often processes and linear procedures which are based in logical to address disputes. Organizations in Quadrant IV, however, collaborate with stakeholders in the manner of conflict contend and create systems to address them, that respects and encourage the principles of participation, openness and feedback.

Another point that should be deeply analyzed is to know which the **primary efforts** are. This category identifies who and what are the objectives of the efforts of the dispute system design in the organization at any cost. Quadrant II and III give more relevance to individual disputes: events, solvable cases or dissatisfactions which are isolated from each other. As regards, Quadrant IV systems are focused on stakeholders (institutions, groups and individuals) system as a target. The learning and collective feedback have a positive internal repercussions. Participants of the organization are related to the overall system, both internally and externally, therefore participants discover valuable information not only for the setting of the review, but also for the use for creativity and growth.

Finally we must deal with the **role of key actors** in each of the quadrants. In Quadrant I systems are the figures of power in the organization that control the questions and choose answers. In systems Quadrants II and III they are generally suppliers (experts and consultants) who decide what the problems are and how to fix them, and then impart their wisdom and expertise. Quadrant IV systems, differ of the previous ones. It identifies the organizations and stakeholders as partners in joint problem solving in the design process, where both of them have rights and responsibilities in organizational survival.

It may seem obvious, that the development of conflict management systems included in Quadrant IV are the right to practice in an organization. However, this is not the only solution for all organizations and may not be a possibility for many. For example, Quadrant IV assumes the existence of organizations and individuals, which are able to recognize the crucial role of the conflict management in the performance and results of organizations. It assumes the intelligence and wishes of the leaders of the organizations for delegating responsibilities. And also assumes the willingness to recognize the value and importance of maintaining the openness and flexibility to learn, evaluate and modify any system of conflict management.

3. CRITICS OF CONFLICT MANAGEMENT SYSTEMS

The emergence of conflict management systems and associated practices, have led to various criticisms once it has been introduced in organizations. That is, the changes the organization faces by introducing this system to resolve conflicts in the workplace have generated intense debate. Mainly, there are two "camps" opposed to conflict management systems. One has a progressive point of view of conflict and the other has a traditional view. Those in the progressive camp, which includes some unions, civil rights groups and plaintiff´s lawyer, oppose attempts by management to control the workplace and the workforce without taking account of the interest of other stakeholders. Those in the traditional camp, which includes some managers and business leaders, believe that conflict management systems help to validate the workplace conflict and inevitably lead to higher levels of employee participation in decision making than is desirable.

The traditional approach is assimilated to quadrant I, which we have discussed above; its main feature is that conflicts in organizations have traditionally been responsibility of managers and administrators who took an authoritarian view of conflict and how to deal with them.

They believe that conflict is a negative aspect that the organization must bring under control, and, if possible, an issue that has to be eliminated. In other words, conflict should be managed through managerial authority. This means that some form of discipline is imposed to suppress conflict.

As a measure to resolve quickly conflicts that arise in the workplace, top managers delegated responsibility for handling these conflicts to first-line supervisors, even though they were rarely, if ever, trained to deal with workplace disputes.

It should be pointed out that Lipsky and Avgar in their research "The Conflict Over Conflict Management, 2010) have revealed:

- Most organizations employing a traditional conflict resolution approach do not use performance appraisals to evaluate the dispute resolution skills of first-line supervisors or reward them for doing a good job of resolving conflicts on the shop floor.

- There are many managers who view workplace conflict entirely in negative terms, or even deny that it exists in their own organizations.

- Traditional managers often view the resolution of conflict as a zero sum game. They believe the resolution of conflict usually produces a winner and a loser. Zero sum managers believe that conflicts should be prevented if possible, but if conflicts occur, managing them means prevailing. Zero sum managers attach great value to "victory" and dislike compromise. In this regard they are unlike variable sum managers for whom winning or losing a dispute Is not as important as achieving a solution that serves the organization´s best interests.

- There are many traditional managers who distrust mediation and arbitration. They regard third-party neutrals as outsiders who undercut their authority, and they have little regard for the expertise or judgment of ADR neutrals.

Therefore, it can be concluded that many people tend to associate the word "conflict" only with differences of opinion that result in violence or the use of force. It took a lot of time before a growing number of organizations began to recognize that conflicts on the production area could escalate into major conflicts that could disrupt the entire organization.

Managers with a traditional view of conflict are critical regarding to conflict management systems. They see them as part of a broader movement to weaken managerial authority. They prefer management to retain control of conflict resolution. There is a nostalgic element to this view, when an obedient workforce readily accepts management´s authority.

On the other hand, progressive critics of conflict management systems are not necessarily worried about the fact that moving to a conflict management approach will lead to any real change in managerial power. What concerns them is the failure to include stakeholders in the process of designing and implementing conflict management systems. Non participation of employees is especially troubling in nonunion organizations where the employment at -will doctrine applies because employees have no means to express their displeasure with policies imposed on them by management.

One reason why conflict management practices have been developed from the top-down, even in unionized settings, as said Lipsky and Avgar (2010) in their research, is that it is usually management that presses for conflict management systems.

In general, unions have viewed conflict management systems with skepticism. Some nonunionized organizations have instituted such systems as a means of avoiding unionizations. As a result, employees and unions often have legitimate reasons to mistrust management´s motives in creating conflict management systems despite the fact that such programs have the potential to benefit them.

Many progressive groups believe that management´s professed belief in the value of teamwork and employee participation in decision making is a charade designed to put an appealing public face on management´s age-old quest to control the workplace. In fact, the progressive critics of contemporary conflict management do not subscribe to the view that in the vast majority of organizations a transformation of the workplace has actually occurred.

Even when management professes to believe in the value of teamwork and employee participation in decision making, progressive-minded critics of conflict management systems tend to think that is just rhetoric. Despite globalization, technological and other forces of change, they think managers only pay lip service to the supposed end of hierarchy because in most organizations hierarchical relationships are the norm.

4. CONFLICTS IN THE WORKPLACE

Workplaces are constructed from a mixture of different personality types, and sometimes these personalities clash. Conflicts arise over a number of different issues; therefore, it is important to reach a quick and effective solution in order to prevent loss of morale and consequently productivity.

Three desirable outcomes from an effectively managed conflict are: agreement (long-term as well as short-term); stronger relationships between the parties involved; and an opportunity to learn about the people and the organizational processes involved in the conflict.

4.1. CHARACTERISTICS OF CONFLICT

But it is noteworthy that the conflicts are not always harmful or negative for the organization. Conflict results in both positive and negative consequences. The right amount of conflict may improve job performance, but too much or too little conflict lowers the performance. If the managers observe that job performance is suffering because of too much conflict, he or she should reduce it. If performance is low because employees are too placid, the manager might profitably increase conflict.

4.1.1. But, it is all conflict harmful for organizations?

Many managers and scholars believe that job conflict can have positive consequences. Andrew DuBrin (2011) in his book *Essentials of Management* explains four positive consequences of conflict:

1. Increased creativity → Talents and abilities surface in response to conflict. People become inventive when they are placed in intense competition with others.

2. Increased effort → Constructive amounts of conflict spur people to new heights of performance. People become so motivated to win the conflict that they may surprise themselves and their superiors with their work output.

3. Increased diagnostic information → Conflict can provide valuable information about problem areas in the department or organization. When leaders learn of

conflict, they may conduct investigations that will lead to the prevention of similar problems.

4. Increased group cohesion → when one group in a firm is in conflict with another, group members may become more cohesive. They perceive themselves to be facing a common enemy.

When the wrong amount or type of conflicts exists, job performance may suffer. A particularly bad form of conflict is the one that forces a person to choose between two undesirable alternatives. Negative consequences of conflict according to Andrew DuBrin (2011) could be the following ones:

1. Poor physical and mental health → intense conflict is a source of stress. A person under prolonged and intense conflict may suffer stress- related disorders. Many acts of workplace violence stems from highly stressed employees or ex- employees who experienced conflict with supervisors or coworkers.

2. Wasted resources. Employees and groups in conflict frequently waste time, money, and other resources while fighting their battles.

3. Sidetracked goals → in extreme forms of conflict, the parties involved may neglect the pursuit of important goals. Instead, they focus on winning their conflicts. A goal displacement of this type took place within an information technology group. The rival factions spent so much time squabbling over which new hardware and software to purchase that they neglected some of their tasks.

4. Heightened self-interest → Conflict within the group often results in extreme demonstrations of self-interest at the expense of the group and the larger organization. Individuals or groups place their personal interests over those of the rest of the firm or customers. One common result of this type of self-interest is hogging resources. A team member might attempt to convince the team leader to place him on an important customer trouble-shooting assignment even though he knows his rival on the team is better qualified.

4.2. TYPES OF CONFLICTS IN THE WORKPLACE

According to different specialists in this field in an organization we can find different types of conflicts, among which we will highlight the following ones:

- **Conflict between staff and supervisor:**

  Conflicts can arise between a staff member and their manager when he perceives that the manager is incompetent or an inadequate leadership. They should resolve this type of conflict making use of communication both vertically and horizontally, that is, they must communicate the concerns and anxieties and, finally, the parties in the dispute will agree a way to fix them. Staff members should treat managers with respect at all times.

- **Cultural differences:**

  Sometimes conflicts arise in the workplace because of the cultural differences between two or more individuals. This is usually caused by problems with effective communication, but sometimes the reason for the dispute is due to religion or race.

- **Interpersonal Conflict:**

  It is the most common type of conflict which we can find between two colleagues within an organization. This can arise for various reasons, such as differences in personality or opinion. Each party, with the help of the manager to act as mediator, shall establish the causes of conflicts and formulate ways to overcome their difficulties.

- **Intragroup and intergroup conflict:**

  Conflicts can also arise within a group, if members feel that one or more people are not doing their job or are actively seeking to upset the good cooperation of the group. This can lead to the elimination of group aggressive agents, before the conflict negatively affects the efficiency (intragroup). Moreover, intergroup conflicts occur between different working groups and complicate the activities of coordination and integration.

On the other hand, Lipsky and Seeber (2006) in their recent research paper divided the conflicts within organizations in three different types.

1. Latent and manifest disagreements refer to "any organizational friction that produces a mismatch in expectations of the proper course of action for an employee or group of employees (Lipsky et al., 2003).

2. Workplace disputes are conflicts "that ripen into formal complaints, grievances, and charges" (Lipsky and Seeber, 2006).

3. Litigation refers to lawsuits and charges filed with regulatory agencies. In general, it has been noted that conflict focuses on three factors within the communication field: incompatibilities, an expressed struggle and interdependence between two or more parties (Putman, 2006).

4.3. ORIENTATIONS IN RESOLVING A CONFLICT

In order to resolve a conflict is necessary to know the persons involved, to know what the interests of the parties are, that is, being aware of what the position of each of the parties is. Respect is also needed to know what values, personality, experience, features of each of the parties are, because they influence in the time to address conflict management.

Not all conflicts must be considered as obstacles, barriers and impediments to the development of the organization. We can distinguish in this case two types of conflicts: **functional conflicts** which support the goals of the organization, that is, they are of a constructive nature. However, some conflicts prevent an organization achieve its goals (**dysfunctional conflicts**).

It is undesirable, both the existence of conflicts in excess and the existence of few conflicts within an organization. The managers of a company should encourage conflict to win the full benefits of their functional properties and at the same time reducing their level when it becomes a destructive force. As a consequence that has not been any mediation instrument designed to evaluate whether a certain level of conflict is functional or dysfunctional, manager must make intelligent judgments regarding whether the levels of conflict in their units are good, too high or too low.

4.3.1. Five different orientations of Kenneth Thomas to resolving conflicts

Kenneth Thomas (1976) in his book: *Handbook of Industrial and Organizational Psychology* identifies five different orientations to resolve conflict in terms of assertiveness and cooperativeness. These five orientations are: **competition or force**; **accommodation**; **avoidance**; **collaboration**; and **compromise**.
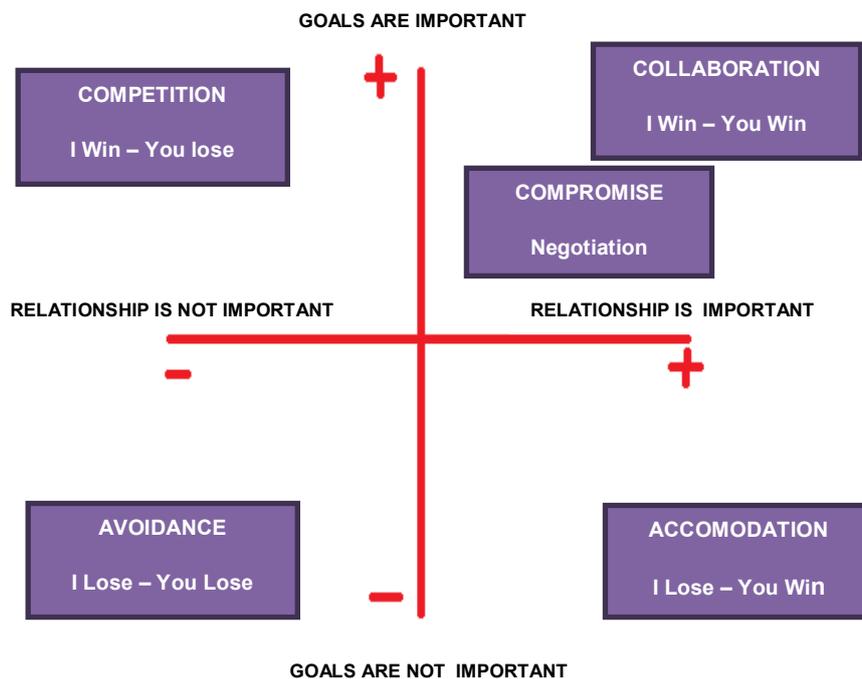
Figure 2. Five Orientations to Resolving Conflict
Source: my own figure.

Collaborating is the only one of these orientations considered to yield win–win, where both parties get what they want. **Avoidance** is the only one of these orientations that results in I lose–you lose outcome, where neither party to the conflict gets what they want. **Compromising** results in a partial win/lose, as each party get something from the settlement and has to give something up. **Accommodating** result in a "you win–I lose" outcome, where the goals of one party are sacrificed while the goals of another gain. **Competing** consist in an "I win–you lose" outcome. Again the objectives of one party are sacrificed for the benefit of the other party.

Kenneth Thomas found that competing works best in situations that require the implementation of important issues and/or unpopular actions on issues that affect the overall welfare of the company. Collaboration is appropriate when the parties wish to learn from the conflict situation, to include insights from people with different perspectives, to gain commitment to a decision through consensus decision-making. Compromising works well when the parties have equal power and a strong commitment in opposing goals, to arrive at an acceptable solution within certain time constrains. Compromise is an effective alternative strategy when both parties have tried to collaborate and compete with not success.

Avoiding works to resolve conflict when the issue is trivial, when there are more urgent matters, that is, when solving the problem, is a very low profit for the company compared to the time spent to solve it. Avoiding is a good strategy to give the parties involved time to calm down. It allows people time to collect more information so that they can make better decisions.

Finally, Thomas found that accommodating was a good technique when the issue is more important to the other party, to build collateral for later issues, to minimize loss and when harmony and stability are especially important.

4.4. BRAINSTORMING: EXAMPLES TO RESOLVE CONFLICTS IN ORGANIZATIONS

Then, I am going to do a brainstorming with different possible ways to both address and resolve conflicts in an organization. We will see some of these practices applied in the Repsol Group case.

- The first thing to do by the company is to promote **internal communication**. A face to face conversation with the persons involved can help prevent the crisis. Internal conflicts are controlled through leadership, organization, communication and observation. The most important thing is to know the **existence of the problem itself,** which can be done by **direct feedback** from affected, by their immediate environment or by the observation of area managers.

- Another possibility is to carry out separate meetings with each party, these are used to identify the source of conflict because they provide the exchange of ideas and thoughts between its components. You should ask the employees that don´t discuss the situation with others, to avoid harmful rumors and at the same session is trying to establish the appropriate solutions to resolve such conflicts.

- Another technique which serves to resolve conflicts is to propose goals together. To achieve these goals, it is needed the existence of cohesion and coordination of the conflicting parties. Therefore, to achieve the objectives, first of all the parties in conflict will need to resolve their problems and expend energy together in the same direction.

- Consultant: person to whom turns to the organization in order to give professional or expert advice.

- Making group therapy, in which group members can interact with each other and try to mitigate the resulting conflicts.

- Create interdepartmental relationships. This measure will achieve that employees of different departments cooperate, so that the objectives of each department won´t conflict with others. Some examples could be:

  - Job rotation, where workers alternate the different jobs that exist in a company. This allows workers to take a more comprehensive stance toward others, though, put yourself in the place of another and this is achieved due to the fact that employees are able to understand the interests of other departments, that is, to understand the other side of the conflict.

  - **"Outdoor training"**, that means "outside training room", is a new form of organizational development based on adventure training, which uses activities designed especially for outdoors, its purpose is to promote risk-taking individuals and develop problem solving, trust and teamwork in groups.

  - Another method to create interdepartmental relationships is to use the technique of "Role Playing", which consists in putting people in conflict on the situation of the other, thus have a broader view of why the appearance of conflict.

- Encouraging emotional intelligence through the development of emotional competencies of employees, where they will have greater facility to resolve conflicts once they have more confidence with themselves. They will also increase their self-control, the employees will be more optimistic, they will be able to communicate more efficiently, they will have a better understanding to the others and improve their team skills.

  - Through emotional intelligence active listening is improved. Due to this fact the parties will learn to listen them in a best way. Also, they will allow the knowledge of all the information of the opposite group and, with this, there will be more favorable understanding between the parties.

- Also, it will be encouraging assertiveness, which is that ability to possess people who are able to show their feelings, ideas and opinions so although, they defend their interests and rights, respect the ideologies of others, and have a participative attitude to resolving conflicts.

- In addition, the empathy between workers is encouraged through the development of emotional intelligence.

- Payroll control, through this measure, it is intended to track the rewards or punishments that are imposed on employees. The aim is that there is no favoritism towards any person in the case of rewards, and thus, avoid the eruption of a conflict over wage differences between employees.

- At the moment of the creation of the organization, the responsible of the recruitment process should do it according to the organization´s culture, thus, if the members of the company share certain ideals, the appearance of conflicts are limited.

5. KEY FACTORS TO SOLVE ORGANIZATIONAL CONFLICTS

Once we have analyzed the evolution of conflict management systems, the different types of conflicts that can arise in an organization and possible methods to solve them, in this part of work, we will focus on two key aspects to successfully tackle and resolve in a faster way the organizational conflicts.

5.1. IMPACT OF ORGANIZATIONAL CULTURE

The first key factor is the organizational culture whose impact on behavior has been studied extensively in the recent decades, and is becoming more important due to the fact that advances in technology continue. These advances diminish the barriers of time and geographic distance that used to separate people around the world. In addition, due to the globalization the societies are heterogeneous and consist of subcultures. Both cultures and subcultures represent large numbers of people who view and interact with the world based on their implicit and explicit knowledge of generations of human existence.

5.1.1. Hofstede´s four dimensions of culture

Hofstede (1980) in his book *Culture´s Consequence: International Differences in work-related values* identified four dimensions of culture: individualism – collectivism, power distance, uncertainty avoidance and masculinity – femininity. He subsequently added a fifth dimension: long-term vs. short-term orientation.

Individualism – collectivism refers to which members of a culture prefer to act as individuals rather than as members of a group. Individualistic cultures focus on individual rights, rewards and actions, while collectivistic cultures focus more in group rights, rewards and actions.

Power distance relates if members of a culture are comfortable with power and status differences in organizations. High power-distance cultures are more comfortable with power and status differences, while low power-distance culture are less comfortable with power and status differences and have strategies to downplay such differences.

Uncertainty avoidance relates to the degree of comfort within a society with uncertain and ambiguous situations. Higher uncertainty avoidance cultures prefer structured over

unstructured situations, while low uncertainty avoidance cultures have a greater tolerance for uncertainty and ambiguity.

Hofstede describes masculinity – femininity as the extent to which a culture values the traditionally masculine virtues of assertiveness, achievement and materialism, or whether a culture values the traditionally feminine virtues of nurturing and concern for members of society as a whole.

Finally, long-term vs. short-term orientations looks at a culture´s attachment to thrift, persistence and tradition (long-term) over present moment, short-term reward and change (short-term).

These five dimensions affect the way people act in organizations. For example, members of individualistic cultures respond best to individual goals and individuals rewards. Members of low power-distance cultures respond well to employee empowerment strategies and open channels of communication.

Members of cultures low on uncertainty avoidance are more likely to have no fear of change and to be more accustomed to work within an unstructured organizational context. Lifetime employment is a good example of a reward strategy that works well in Japan (a high uncertainty avoidance culture) but likely would not work as well in US (a low uncertainty avoidance culture). Regarding members of masculine cultures, they value financial rewards and they are prepared to work longer hours to increase such rewards. Finally, members of short- term oriented cultures value short-term goals and rewards (e.g., performance-based compensation) over long-term goals and rewards (e.g., compensation based on seniority within the organization).

5.1.2. Differences between people of different cultures

It is important to deepen the analysis of cultural differences between people from different countries due to the importance of globalization in the last decades.

There is evidence that people of different cultures face conflict situations differently. If we continue with the four Hofstede´s dimensions, we can make a classification according to the 4 dimensions of Hofstede. I have done this classification following the book by Michael Yates (2003) *Naming the Systems Inequality and Work in the Global Economy* and also with the help of article *Choosing conflict resolution by culture* by Golznaz Sadri (2013).

Table 2

Classification of Countries According to the Dimensions of Hofstede

	INDIVIDUALISM	**POWER DISTANCE**	**UNCERTAINTY AVOIDANCE**	**MASCULINITY**
HIGHER	North American Cultures (United States, Canada) Australia Culture and United Kingdom Culture.	Arab Countries (Saudi Arabia, Egypt, Nigeria, and Ghana) and Malaysia, Philippines and Indonesia.	Korea, Mexico, Russia, and Belgium.	Asian Culture (Japan, China) European Centrals Counties (Austria, Switzerland, and Hungary)
FEWER	Asian Cultures, Latin Cultures and Middle Eastern Cultures. For example: (Venezuela, Colombia, Pakistan, Taiwan, and South Korea)	North European Cultures (Austria, Norway, Denmark, Sweden) and North American Cultures (United States, and Canada)	United States, India, England, China, and Singapore	North European Cultures (Norway, Sweden, and Denmark)

Note. Source: my own table

Research shows that members of individualistic cultures use a more dominating style in dealing with conflict and are more likely to push for speedy closure, while members of collectivistic cultures use more accommodating and avoiding styles. Cultures scoring higher on individualism focus in individual goal over group goals use more direct forms of communication. As we can observe in the table, United States and Canada are the more individualistic countries around the world.

Asian cultures, Latin cultures and Middle Eastern cultures are typically collectivistic. Cultures scoring higher on collectivistic focus on group goals because of group goals take priority over individual goals and this cultures use more indirect forms of communication. Members of collectivistic cultures are concerned with preserving group harmony. One study found that the higher Chinese tendency to avoid conflict was explained by the Chinese belief that direct conflict would hurt the relationship with the other party.

Other aspect of culture that also affects the conflict resolution conflict could be, for example, high power-distance, in which people are more comfortable with power and status differences. In these cultures employees will show more respect to those in higher positions and will be less likely to contradict against the boss. Such organizations were characterized by high formalization, for being centralized, and workers have a low decision participation. This type of culture is found in the vast majority of Africa´s countries (Egypt, Nigeria, etc.).

While low power- distance cultures, are characterized by organization´s members downplay power and the status differences. Such organizations are characterized by low formalization, for being decentralized, and there is a free flow of information within the company which encourages innovative behavior. As observed in the table, the most important countries in this culture are: North European Countries and North America.

In terms of uncertainty avoidance, avoidance of conflict can be seen as a strategy to avoid uncertainty, ambiguity and change. When everybody is in silence, everything are kept in the same state, with this attitude the risk of change is fewer.

If we take into account the housing bubble, we can see the impact in an entire country of the uncertainty avoidance. The United States was at the core of the housing bubble, with amateur investors taking significant risks in the housing market and ambitious banks fueling the bubble by making loans to risky individuals. The outcome was disastrous.

Belgium, on the other hand, maintained conservative lending practices. For this reason, the Belgium economy fared better than the United Stated economy, in part because of Belgium´s high uncertainty avoidance scores, which was demonstrated by the lack of retail investors taking significant risks.

Finally, Hofstede´s masculinity-femininity dimension indicate how a culture values assertiveness and achievement over nurturing and concern for others. Clearly, members of masculine cultures would be expected to pursue more assertive strategies (competing and collaborating) in resolving conflict. The fundamental issue is what motivates people, in a mainly masculine society where people want to be the best in their jobs. On the other hand, a feminine society is one where quality of life is the sign of success. As we can observe in the table, we can find this type of masculinity culture in: European central countries (Austria, Switzerland, and Hungary) and China and Japan. Regarding the most important countries with a feminine society, we can note the next countries: Norway, Sweden and Denmark.

Due to the globalization, nowadays organizations are composed by employees and employers of different cultures. For this reason, we can find expatriate managers working with employees, colleague and customers from different countries as well as managers working with a diverse workforce. If an organization pursues assertive behaviors within a cultural context that value cooperative behaviors, they may not get the result that they want. To the same way, when an organization adopts more passive behaviors in negotiating with people who value assertiveness, any resolution likely will be unsatisfactory. Thanks to the advances in technology the world has make a smaller place and has provide global access to business opportunities. This has lead managers to be aware of cultural preferences for dispositions toward negotiation and conflict resolution.

5.2. IMPACT OF COMMUNICATION IN CONFLICT MANAGEMENT

Culture as seen above is one of the most important aspects of conflict resolution, but this is not the only one. Another key area in which we must deepen to successfully manage conflict in an organization is communication.

The central purpose of communication is generally to keep the organization in the right position, that is, through communication, the company will be able to act in the best possible way to adapt to the changes that arise in the environment. Nevertheless, communication can also break the existing meaning-making structures, that is, create a disintegration, which can foster emergent properties in the organization. This notion of the dual function of organizational communication (Aula, 1996; 1999; 2000) is based on the idea that organizational communication represents both integrative and dissipative elements with which one can create or reduce the diversity of the existing meaning structures and, consequently, increase the chance of emergence of new meaning in the unfolding interaction (Aula, 1996; 1999).

Organizational communication occurs in communicative arenas (Stacey, 1991), that is, all organizational surroundings in which we create and share meanings and make sense of our experiences. This includes surroundings inside and outside an organization. Arenas are places in which organizational members and stakeholders encounter each other and create representations and interpretations (Aula, 1999; 2000).

Institutional arenas (Stacy, 1991) are a typical example of arenas in which communication is predominantly integrating (Aula, 1999). There are three different types in which communication exists within a company: downward, upward and horizontal. Although, communication processes are formed mainly from the top down, and the communication is controlled, regulated, and literal.

Spontaneous arenas (Stacey, 1991), on the other hand, are formed unofficially and informally (Aula, 1996). If they are formed intentionally, then they are highly spontaneous and free means and form. Some example of spontaneous arenas could be working in groups and informal meetings that arise around certain topics. Spontaneous arenas are free of hierarchy (Aula, 2000).

In my opinion conflict management system is closely interconnected with the conceptualization of an organization´s communication systems and cultures. Whereas organizations have traditionally been piloted towards a unified culture in which the ideal has been harmonious and predictable relations among various stakeholders (Aula, 1996), (Pekka, Aula, Kalle and Siira, 2010) this authors in their study argue that recognition of the dual function of communication gives organizations the opportunity to rethink conflict management beyond the limits of traditional CMS (systematic resolution and the reduction of emerging conflicts).

5.2.1. The arena model conflict strategies

Then we will analyze a model created by Aula and Siira (2010), which show us the importance of communication for conflict resolution. The Aura and Siira´s model is based on two elementary aspects of the complex conflict system: the communicative and the circumstantial aspects. The communicative processes work according to a dual function-integrating or dissipating current meaning (Aula, 1999), thereby determining the cultural essence and the dynamics of a system. Circumstantial aspects refer to the cultural ambiances of institutional and spontaneous arenas, the two fundamental surroundings in which organizational conflicts are played out, as discussed above. In order to cope with the dynamic circumstances, we differentiated among four strategies that an organization´s CMS should acknowledge: consolidation, suppressing, shaking, and engaging (see Table 3).

Table 3

The Arena Model of Conflict Strategies

		Communication	
Circumstances		Integrative	Dissipative
	Institutional	Consolidating	Suppressing
	Spontaneous	Shaking	Engaging

Note. Source: Aula, P. and Siira, K., 2010. Organizational Communication and Conflict Management Systems. *Nordicom Review*.

Consolidating

Consolidating represents the typical CMS approach. It is the ideal strategy when the conflict issue is impersonal and simple in nature and can be resolved in an institutional arena. In this case, the contradictory opinions will come out to light a few times, but when these views come to light, they are integrative in nature and predictable in outcome. Thus, the system solves them mechanically. This type of strategy requires to subordinates who are closely supervised and the hierarchy is the principal integrating mechanism. People are generally in good agreement about the course of action in an organization, and information flows mainly in a vertical direction along a clearly defined path. Consolidating is usually considered a desirable strategy, because people often experience change as uncomfortable, they have fear to the unknown, and have an uncertainty and insecurity. Moreover, people have limited skills and limited opportunities to manage conflicts.

Suppressing

Suppressing appear when a conflict issue is complex and personal in nature, nevertheless the issue is handled in an institutional arena. In this type of strategy, organization tries to adhere to the prevailing conflict management structures and conventions that do not allow for elaborating opinions or discussions. Communication, flows through formal channels by the organization. However, conflict participants do not take into consideration the available channels to be adequate enough to address and

solve their concerns. The conflict is complex in nature, yet the conditions only support handling of well-defined issues and traditional problem solving. Ignorance of certain parts, often the personal and salient parts, of a conflict easily leads to unexpected and unjustified actions, such as recrimination, escalation and frustration.

In practice, suppressing is manifested as underestimations and simplifications of the problem, involving unnecessary third parties, union representatives or company lawyers.

Shaking

Shaking represents a proactive move in conflict management, whereby an organization uses dissipative communication and informal communication channles in dealing with a conflict. Shaking indicates the handling of a simple way in a spontaneous arena. Such a situation occur when the organization is destined to face itself a lot of problems. Shaking may also be used to promote a commitment to handling conflicts in a precise manner.

At best of cases, shaking uses dissipative communication to manage conflicts comprehensively and humanely and to encourage all stakeholders to give their point of view, thus, encourages participation in decision making and get different points of view to solve the conflict. However, shaking may become problematic if what is essentially a factual issue it can become a complication.

Engaging

Engaging represents a situation in which a conflict is amply and carefully explored. Engaging can produce an organization benefit, if it awakens the introduction of fresh ideas and viewpoints from differents stakeholders for achieve a goal and indirectly it produces motivational effects of increased employee involvement, job satisfaction and organizational commitment.On the other hand, engaging may not be a desirable strategy, because the real problems are easily to be confused even further, and thus, relationships may become in danger. Sometimes engaging occurs because of communicative inabilities on one or both sides.

The Aula and Siira´s model illustrates the four conflict strategies than can be drawn from the examination of organizational conflict management from a social complexity

perspective using the concepts of communicative arenas and dual function of communication. Of the four above strategies, we cannot conclude by saying that some are better than the others. The inventors of the model have suggested that organizational conflict management should employ all of them to ease conflict conditions. From their perspective, CMS offers a limiteded range of arenas in which to manage conflict. Organizational conflicts are played out on institutional arenas, including processes such as grievances, arbitration, and mediation, which do not aim at challenging the existing meaning structures and consequently lead to organizational learning. The integrative quality of conflict communication is adressed towards predetermined processes, codes, and rules, while the dissipative quality of communication is ignored, downplayed, or suppressed.

5.2.1.1. Implications

The ideal of Conflict Management System is to address conflicts that possess predominantly integrative qualities of communication. Such conflict could include disagreements on routine tasks and policies. Aula and Siira in their article *Organizational Communication and Conflict management Systems* (2010) argue, however, that conflict always carries both integrative and dissipative communication dimensions. Thus, they argue that Conflict Management System should also include the spontaneous arenas so as to match the complexity of conflict and enable organizational learning.

Depending on the nature of conflict, both arenas (spontaneous or institutional) could be used in parallel or in tandem. CMS would be flexible and could be adapted to the requirements of a particular conflict process. Instead of forcing the conflict into a predetermined process, CMS would enable various options which the issue may be handled.

6. *CASO REPSOL PORTUGUESA: CÓMO VENCER LA RESISTENCIA AL CAMBIO*

The practical case that we will analyze is about the conflicts that arise when integrating two companies with different cultures and different ways of working. In this case, specifically, we will analyze how the Repsol Group board and fix different conflicts that were within the organization after the merger with Shell Portugal.

Before starting to analyze the case study it should be noted that this is a case, in which we deal about the resistance to change in the Repsol group, which was due to the merger with Shell Portugal. But on the other hand, it is a case in which we can observe various conflicts at the same time. Thus, I think that this is a perfect case in which, it many concepts discussed during the work can be implemented.

Shell is a company of Anglo-Dutch origins, which was one of the three major companies in the oil sector. Shell Portugal had a strong corporate culture and its employees had generated a great sense of pride and belonging

In 2004, at the headquarters of Shell in Portugal, the news that the company would be sold was confirmed. This caused a great commotion in the company, all employees felt anxious and scared. They could not believe that Shell, the oldest Portuguese oil company had decided to sell its assets after ninety-two years in the country. But the main question they had was: Who will buy Shell Portugal?

In the Middle of the year 2004 they communicate to the staff that the Repsol Group who would be the buyer. This caused great indignation and anger to the entire workforce because it was a Spanish company little known in Portugal.

After the merger, the first years were marked by confusion and resistance to change. One of the first approaches that were made, probably wrong, was to assume that Repsol Portugal should behave as a region more of Repsol in Spain. This caused, in addition to intragroup conflicts by the Portuguese staff, an oversimplification of the market, culture and communication, which did not produce good economic and social outcomes.

Continuous changes in strategy that took place in this period for achieve better results, do not contributed to the transmission of goals in a clear way.

Moreover, staff from Shell did not assume Repsol as their company, and they expressed it as a resistance of emotional character.

Another aspect to consider is that Repsol staff also expressed a deep sense of disappointment at how the events were evolving after Shell integration. This feeling was accentuated due to certain issues "inherited" as the difference in wage conditions and benefits package for staff from Shell compared to Repsol.

All these problems made it difficult for the corporation to focus on the market and on the growth, because its attention was directed to the resolution of internal conflicts. The management team was divided and fragmented, and this division was transmitted to the rest of the organization.

Located in this point of the merger we can identify different conflicts. These conflicts have been explained and analyzed during the work, specifically in the point of conflict typology. We can distinguish the following conflicts:

- Intergroup Conflict→ Between staff groups. Repsol staff felt underestimated due to a smaller wage, worse conditions and benefits package than the staff of the Shell Portugal. This accentuated by poor communication caused mistrust among the various groups of employees.

- Cultural differences → between workers and managers Repsol Portugal appeared a certain reticence from the beginning because they wanted to Repsol Portugal behave as a region over the organization. Considering that it was a company whose main feature was that it had a very strong organizational culture, this was probably not the right approach.

We can conclude by saying that all these conflicts are dysfunctional conflicts, that is, they complicate the achievement of objectives by the organization. It does not help or encourage to the group of workers to perform a task in the best possible way with the objective of get better results.

The main challenge of the new management team Repsol Portuguesa was clear: to get the integration of staff coming from organizations as distinct cultures. The management team had a clear premise, and although the difficulties are not always allowed to keep it, they tried it: for workers to believe in change, the management team ought lead by example and overcome resistance to change through communication.

With the objective of reducing and controlling these conflicts in the period 2006-2008, both managers of the former Shell and Repsol used different methods to solve these conflicts.

The first step conducted was going to an outside consultant to help them on the issue of leadership and achieve cohesion (create interdepartmental relations) by:

- "Outdoor training", that is, "training outside room", is a new form of organizational development based on adventure training, which uses specially designed activities outdoors to promote risk taking calculated individuals and develop problem solving, trust and teamwork in groups.

- "Role playing" → technique that consists in putting people in conflict on the situation of the other, thus have a broader view of why the appearance of conflict.

They used these techniques with the purpose of promote teamwork and advance the cohesion of the workforce. Despite these efforts, the results were unsatisfactory. So, they conducted a survey to the employees of Repsol Portugal, which showed that employees still did not see a clear direction of the organization.

In the middle of the year 2008 they made a new outdoor training with the first and second line of the command. With the help of this practice a number of problems were identified in the organization:

- Lack of confidence.
- A poor communication.
- Low degree of collaboration
- Lack of leadership.

Once identified the origin of the problem, all the directors of Repsol Portugal agreed that the current situation was unsustainable. So I decided to forget all differences and start working on building a new project.

Unlike other previous actions, this time they tried to seek a different solution. They tried to implement a project of cultural change, which called "A nossa missao" ("Our mission"), which was based on the model of management by missions. It was intended

that people forget their differences and focus attention on the essence and rationale of business.

The first step of this new program was to conduct a brainstorming exercise with managers in which to discuss and define the mission of Repsol Portugal. This mission should connect with the Repsol own group and, in turn, reflect the particularities of the market. As a starting point for reflection they were taken as a reference for the main stakeholders of the Repsol Group and, based on them, the mission Repsol Portuguesa was established. In short, there was a question to be answered:

How can help the business unit to carry out the mission of the Repsol Group?

At this point, keeping in mind the Hofstede's five dimensions of cultural change, we can already discern the first change in relation to the culture within the organization. Where, they moved from a corporate culture that is based on individualism to one that was based on collectivism.

During the discussion, there were many points of agreement, and they realized that despite their origin, when talking about the essence of the business, opinions coincided remarkably. That is, through the communication, they achieve a better cohesion and integration within group.

Once achieved the most important challenge, that is, the commitment of top management with the project, the next step consisted of doing the same thing with the next level of the organization: a group of about 300 people spread across different areas and business functions.

The program mission deployment was based on three pillars:

- **Shared missions**

  Where every department heads met with his team to develop the mission of their area. In all, nine missions were defined one for each of the divisions of the company, which were connected with Repsol Portugal.

  The development of the missions was supervised by an external consultant, but really who led the whole process was the manager of each of the divisions. This approach, promoted a high level of involvement on the part of managers to the project because they felt an important part of the change.

When the process of development of the missions ended in all divisions, a specific action is performed with the aim of sharing the work done and communicates it to all staff.

- **Integration of the mission in the day-to-day**

Once defined the different missions, the next step was to disseminate through various initiatives at different levels of the company. Objectives were connected to missions, interdisciplinary projects were established related to the mission, that were introduced in the agendas of the various team meetings, projects were established to improve cooperation and interdependence among areas.

By means of these initiatives they intend to achieve two goals: on the one hand, materializing the missions into different action plans and some specific improvements; on the other hand, the fact that all employees were aware of how it was possible, through different projects and actions carried out by them. The main idea was to convey that the mission had been built together.

- **"Enveloping" Communication[1]**

One of the priorities was that the mission was visually present in offices and workplaces. But the key of enveloping communication was using the mission as a basic framework for incorporating the communications and interactions between the company and its employees (for example, company magazine, intranet, etc.). Thanks to this way of working the mission was converted from being a message to become a symbol integrated by all the stakeholders of the company.

Due to the introduction of "A nossa missao" project, there were several changes in the Repsol group both in the field of culture and communication. Focusing on the cultural dimensions of Hofstade, we can detect changes that have occurred from one pole to another in the different dimensions due to the implementation of the project.

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[1] This concept derives from Spanish expression "Comunicación envolvente".

Table 4:

Cultural changes in the Hofstede´s dimensions

BEFORE	NOW
Individualistic	Collectivism
Higher Uncertainty Avoidance	Low Uncertainty Avoidance
High Power Distance	Low Power Distance

Note. Source: my own figure.

As I mentioned earlier, the organization was moved from a culture that is based mainly on the benefit of the individuals themselves or divisions, to a culture based on collectivism, that is, this project caused relations between the various departments were increased, a common mission was accomplished and the creation of interdisciplinary groups in the pursuit of increased integration and cooperation is encouraged.

Another point of culture, according to the dimensions of Hofstade, which was changed, was how the uncertainty faced divisions. In the beginning, due to the merger arose great uncertainty and several reluctances on both sides to change, mainly by Repsol Portugal, who was characterized by a strong organizational culture, as demonstrated different surveys of their employees. Therefore, we can say that it was an organization (higher uncertainty avoidance). After several efforts and the introduction of the "A nossa missao", a cultural change occurred which was characterized by multifunctional teams work with a great implication to the company and with low uncertainty toward change.

Another point of the dimensions of Hofstede's culture that was modified was the degree of involvement of managers in decision-making. Initially, before the introduction of the project, were the administrators who made the decisions affecting the company while the managers of each division should accept the order (High Power Distance). But, for planning the project and that was introduced in the most efficient way possible, administrators tried that Repsol Group directors of the various divisions are more involved with the project. To achieve this, they were given greater powers and responsibilities, it could be said they used a strategy with which managers take subjective decisions, which implies increased involvement with the project.

Regarding the type of communication that used the Repsol group to manage the conflict, it could be said that it has changed over the course of time. The strategy used the first steps of merging with Shell Repsol Portugal according "the Arena Model of Conflict Strategies" was "Consolidating". This strategy is characterized: on the one hand, administrators were the decision makers and employees had low participation and little or no relevance to the decision-making and, on the other hand, assumed that the different divisions had a similar culture, a conclusion that was not correct.

Because of poor performance, Repsol worked on the project "A nossa missao", through this project; the Repsol Group modified its strategy and produced changes to the organizational structure. All this facilitated greater cohesion in the company. The new strategy is characterized by the possibility of using a joining of strategies, that is, could be used as both the spontaneous communication formalized and a combination of both. With the new strategy will increase the use of dissipative communication with which managers could make their own decisions without having to follow the references of their superiors.


The new strategy in "A nossa missao". Joining of strategies.

Strategy used at the beginning of the fusion

Communication

Circumstances

	Integrative	Dissipative
Institutional	Consolidating	Suppressing
Spontaneous	Shaking	Engaging

Source: Own Elaboration
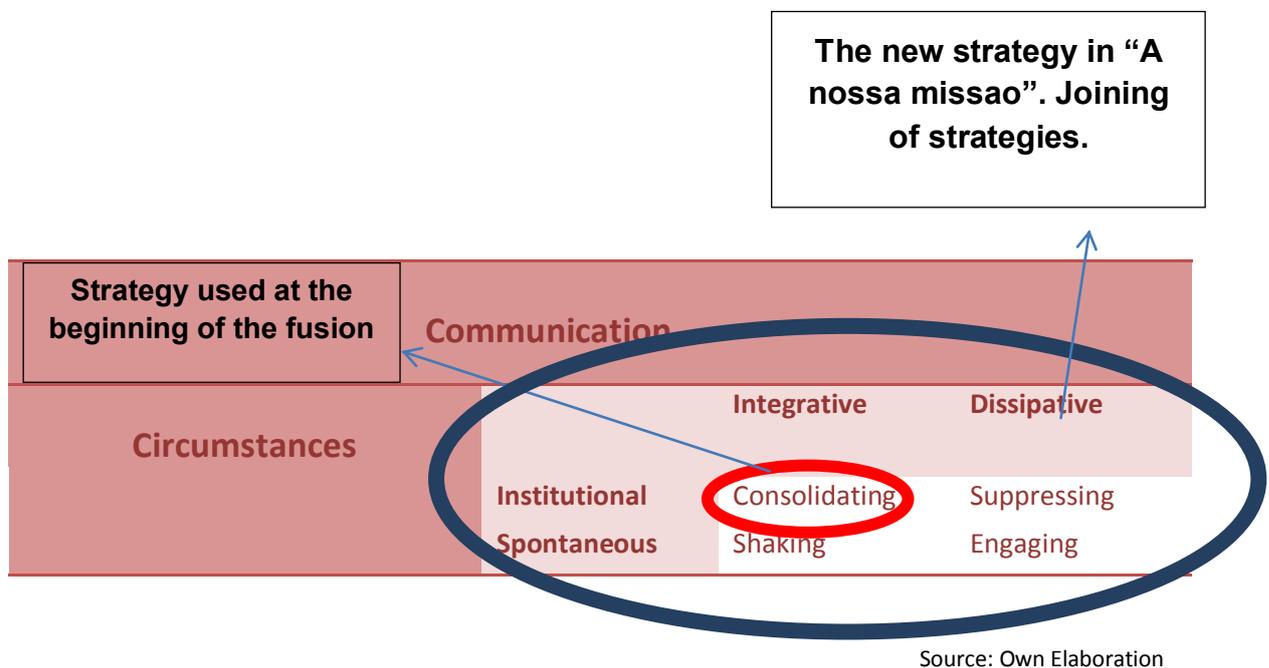
Figure 3. Change in the Conflict Strategies in the Arena Model

Source: My own figure adapted from Aula, P. and Siira, K., 2010. Organizational Communication and Conflict Management Systems. *Nordicom Review*.

After analyzing the program of deployment of the mission, you can reach that conclusion:

To support this integration, the objectives were connected to missions, interdisciplinary projects related to the mission were established, conducted various projects to improve cooperation and interdependence among areas. Promoting teamwork and a better cooperation between the staff from different departments, it facilitated the communication of the mission, which is made more dynamic because of an increase in spontaneous communication (Shaking).

Although, to reach this situation it was necessary that the directors of the divisions established missions independently, regardless of the missions of different divisions (Dissipative, Suppressing). Although, to reach this situation it was necessary that the directors of the divisions established missions independently, regardless of the missions of different divisions (Dissipative, Suppressing).

Another aspect to be highlighted about the communication strategies used to implement the project was the use of an "enveloping" communication, as they say in the text, that is, used the mission as a basic scheme to channel the various communications and interactions of the company with their employees (e.g. company magazine, intranet, etc..). This type of communication strategy could identify it as Consolidating, because they use a system of formal communication to spread the mission.

Outcomes for the organization

The results after the implementation of the project "A nossa missao" became evident a few months later, among others appreciated more cooperation, better alignment of goals, greater recognition and a better work environment.

Nowadays, the "A nossa missao" project (which began as a program of cultural change) has become an integrative and fundamental part of the company culture.

Conclusions

Before making any comments about the various practices employed by Repsol to resolve conflicts, I would emphasize that for achieving integration or unification of the

two companies, they used a strategy of disintegration, that is, each director of each division had some freedom to set his own mission independently of other divisions. It may seem an inconsistency seek integration of a company through a highly diversified making decisions, but sometimes as in this case, through good communication and adequate organizational culture can achieve any goal.

It is very difficult to fault or criticism of the project "A nossa missao". This project, being honest was very well planned. First, because for carry out an efficient fusion is necessary to have some leaders, and some rules to formalize the whole process. Repsol used the divisional directors as leaders who through the overall mission of the company carried out the mission of the division. It is easier to influence the thinking and behavior of a few to the entire organization at once. With this course of action, representatives of the Repsol group avoided the emergence of new disputes that could cause the conflict was of greater significance.

On the other hand, it should be noted that the type of communication used was perfect from my point of view to avoid the appearance of conflict. In a first place communication mission was vertical, that is, top-down, from managers to workers. Once implanted the mission to disseminate, they mainly used formal channels, such as: intranet, company magazines, etc. Once the missions were already integrated in workers at an acceptable percentage, collaboration and cooperation between workers from different divisions are encouraged. With this practice are intended to: First, that the mission be transmitted more quickly and efficiently through spontaneous communication. Which emerge because of the creation of multifunctional teams formed by workers from different areas. Second promote empowerment of workers, increase worker participation in decision-making and also have a greater knowledge of the activities performed in other departments with the aim of avoid intergroup conflict.

The Repsol case show us how important is the culture and communication to address conflicts and to resolve them as quickly as possible. Because, if not are treated of this way, they can to become big problems for the organization. As I have been discussing, the strategy used by Repsol is an example to avoid conflict in a merger between companies with such different cultures. But once they have already integrated, the companies need to evolve toward a type of communication and participatory culture. Moving from a mechanical to an organic structure, that is, must be less centralized, less formality and more power and responsibility to workers in decision-making.

7. CONCLUSIONS

As I have been discussing throughout the present work, conflict management is a field in which few studies have been done. However, it is a topic that will be discussed in the coming years due to the social relevance that are taking the worker rights. There is another reason that explains this situation such as the structural changes that are suffering so many organizations in order to adapt themselves to an environment considerably changeable. Thus, organizations in a future will be characterized by a greater decentralization, less formalization, an increased participation of the employees in their decisions, that is, the workers will turn into essential resources to face the market uncertainty caused both for the globalization and technological advances.

Therefore, taking into account these changes that are suffering in the present and that will last in a future because of an increased uncertainty. At this point, we might want to consider whether conflicts will appear in a large number in organizations.

From my point of view, the answer is affirmative. Basically, because as I have mentioned before, the organization structures are evolving towards more flat structures that is, in order to cope with the uncertainty employees have more power in the process of decision making (fewer power distance). This fact and the new working practices carried out by companies, which encourage teamwork of employees from different departments, will produce a greater interaction between people of the entire company. This may produce positive effects, such as the fact of giving more power and responsibility to workers, allowing them to feel more integrated and satisfied with the work they do. Also, by encouraging teamwork formed by employees from different departments we can gain a broader view of work performed by the different parts of the company. But, on the other hand, as workers have a greater empowerment, this means that if there is not a well-integrated organizational culture into the workers and a well-established type of communication, several negative effects might be originated, linked to the pursuit of individual interest without taking into account the overall interest in achieving the objectives of the organization. Also, it can create a shortage of transmission of information (individualism) that hinders achieving the objectives and consequently causes an increase of internal conflicts.

In conclusion, as a result of a greater interaction between staff and the empowerment given to these staff for making decisions, it is necessary that both the culture of the organization and communication, become two pillars to anticipate potential conflicts and address them as quickly as possible with the aim that these do not cause permanent damage to the organization.

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