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**THE EFFECT OF LEVEL OF TRUST, COMMUNICATION AND DIFFERENCE
IN CONFLICT MANAGEMENT STYLE ON THE PERCEIVED LEVEL OF
CONFLICT BETWEEN MANAGERS AND EMPLOYEES IN COMMERCIAL
BANKS IN NEPAL.**

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Abstract

This research develops and tests hypotheses on the relationship between the perceived level of conflict (dependent variable) with the level of communication, level of trust and difference in conflict management styles (Independent variables) between employees and managers in commercial bank in Nepal. The research uses three lenses to examine the connection from manager-manager, manager-employees and employees-employees perspectives. The survey questionnaire is used as tool to collect the data. There were 105 respondents from five commercial banks in Nepal.

The findings from data show that employees and managers working in commercial bank in Nepal reported remarkably little conflict. They are satisfied with the level of trust and communication in the workplace. The data also suggests that they have experienced unusually less dissatisfaction in handling the conflict between them. There were three control variables; age of the respondents, length of their employment and gender to study the variation in response. Of these, the length of employment had a strong connection to perceived level of conflict making them negatively correlated.

The finding was also discussed with two managers and five employees via telephone interviews. In the interviews, they emphasized that result from the data cannot either be totally accepted and can neither be completely denied. The variance between finding and the truth can be because the survey was conducted with residents of collectivistic society, who are less likely to talk about their dissatisfaction among and in conflict related issues.

KEYWORDS: Conflict, conflict management styles, communication, trust, interpersonal conflict, Nepal

1. INTRODUCTION

Conflict is familiar activities and is an essential component of human life. People come across with conflict everywhere, for example, at home between the family members and work between the coworkers. (Darling & Fogliasso 1999; Thomas 1976; Tjosvold 1990; Ramesh 1998.) Researchers and scholars in the fields of conflict have defined conflict with different key aspects, but similarities between the definitions can be found. Common thought between definitions of conflict is that it is the presence of incompatible goals with two or more people (Ramesh 1998; Darling & Fogliasso, 1999; Tjosvold 2006; Zarankin 2007). Van Slyke (1999) suggested that conflict is the competition between interdependent parties who perceive that they have incompatible needs, goal, desires, or idea. The key elements are competition, interdependency and perceived incompatibility. Ramesh (1998) explained that conflict can also occur due to lack of communication and misperception of people involved. De Dreu, van Dierendonck and Dijkstra, (2004) added that within work organizations conflict with processes evolving around work and task-related issues, or around socio-emotional and relationship issues.

Conflicts have come more accurate within few past years as the economic situation in the world has come down. Although conflict has been well researched in a history, there is always more room for new researches. As conflict is always representative for its circumstance, new case studies are welcome in a field of conflict and conflict management. In this way, this research also fits to the area of conflict research. In a context of Nepal, there have been only few researches done on conflict. In this research, the problem seen is in evaluating and identifying conflict and the it's causes. There can be many reasons leading to conflict but much of the work is done on background to culture.

Some authors claim, the presence of conflict is not harmful to an organization. Conflict can deliver an company with an opportunity if handled well (Van Slyke 1999; Hempel, Tjosvold & Zhang 2008; Rahim 2001; Pruitt, Rubin & Kim 2004; Tjosvold 2006; Folger &

Poole 1984). Rahim (2001) adds up saying that the presence of conflict is the symbol of effective management in an organization. Even though Conflict is commonly considered as negative since historic times, it should not be ignored that it also has opposite side. Positive side of conflict can be that it leads to a new idea, may stimulate creativity and may also motivate change within a company. It also promotes organizational vitality, and helps individuals and groups to establish identities. It can also serve as a safety valve to indicate problems (Darling & Fogliasso 1999; Rahim 1990; Bartunek, Kolb & Lewicki 1992; Baron 1991; Tjosvold 2006; Brahm 2004; Pruitt, Rubin & Kim 2004; Folger & Poole 1984).

1.1 Aim of the study

The aim of this study is to find out the effect of level of communication, level of trust and difference in conflict management style with a perceived level of conflict. The focus is in finding out the relationship between them and variables that have closer relation to the perceived level of conflict.

This study focuses on two levels of personnel in an organization which are the manager and employee. These two levels are developing three relationships within them; Manager - Manager, Manager - Employee and Employee - Employee relationships. This thesis will explore the perceived level of conflict in between before mentioned three different sets of relationships.

As a conclusion, the central research question is:

- What is the effect of level of communication, level of trust and difference in conflict management style on a perceived level of conflict?

The research setting (environment) in which this study is conducted is commercial banking sector in Nepal. This context would be further discussed under the topic of commercial bank in Nepal in the research methodology section. The research setting in the study is an also collectivist society and a developing nation context (Nepal).

1.2 Justification for the research

Conflict has been the area of interest for research since a long time, but only in the nineteenth and early twentieth century's provided a significant advancement (Pruitt, Rubin & Kim 2004). Conflict has received attention in a wide range of disciplines, including sociology, negotiation, mediation, communication, psychology, and management (Zarankin 2007; Rahim 2001). The author like Donais (2006) has explained that the increasing complexity projected by the improved technology have made the study of conflict management more vital.

Previous studies on the management of organizational conflict have been carried on two directions. First direction focuses into either attempt in determine the amount of conflict at different levels and explore the sources of conflict. The second direction attempts to understand different styles for handling interpersonal conflict of the organizational personnel, and impact on quality of problem solving and attaining their social objectives. The first focus direction sticks to the assumption that a moderate level of conflict is beneficial to maintain the increasing organizational effectiveness by altering their source of origin of it (Rahim 2001: 80).

This study adds some attractive finding on the relation between the trust, communication and conflict management style with a perceived level of conflict in an organization in the context of collectivist and developing society (nation). It also looked on examining the effect of those factors and additional factors such as age, length of employment and gender.

The finding is particularly attractive and would be discussed more in the section of result and discussion and conclusion.

Even though, conflict is observed in the practical life, the population is less concern to the study of it. Usually in developing countries, studies are less despite their level of presence of conflict is higher. The reasons behind the lacking can be, de-motivation, inadequate resources and difficulties in accessing data. Among those listed, lack of resources is probably the main reason. When it comes to under-developed and developing nation with collectivist society, researches are done even less. The collectivist society people are not comfortable in talking of conflict, so they tend to hide it within them and avoid it as much as possible. Because of this, accessing to the data is a challenge and the lack of financial and nonfinancial resources like quality researchers can be the cause of fewer studies. Nepal can be added of having these types of problems, and it may be a reason why conflict research is less apparent in the context of Nepal. Because of this, research will be a riveting topic for research paper and produce a short report that could be generalized in the commercial bank of Nepal.

1.3 Limitation of study

The research responses are collected from managers and employees working in commercial bank in Nepal. The results and finding rest from this research are most suitable for similar setting as collectivist and developing nation precisely in this approach it is Nepal. Further, the data are collected from employees from commercial banks, and the sample does not include other financial sectors as cooperative societal finance organization or any other forms of financial institutions. The finding would be inappropriate to generalize for the banking (financial) sector as a whole within Nepal.

To make it suitable for expectation of scope of a master thesis, study is only focusing on factors as communication, trust and different conflict management style. However, there are other numerous factors through which a conflict can be examined and understood, such as role conflict, culture context, etc. These are also discussed under the topic of causes and source of conflict.

1.4 Structure of the thesis

The research has been divided into six sections excluding the abstracts, table of content, list of figures, references and the appendixes.

The first section is an introduction, where an objective and the goal of the thesis are discussed. The section discuss on the justification to why this research is vital to conduct research and what the finding from research can contribute to the literature. The section also has the discussion on the limitation and structure of this study.

The second section in titled as literature review and is constructed of three sub-sections. The first sub-section is the conflict. In this sub-section, the definition and description of different aspects, sources and types of conflict are discussed. In the last sub-section, the Barki and Hartwick work on developing the meaning and measure of interpersonal conflict is discussed. This theory leads up to the establishment of measures to calculate the perceived level of conflict for this study. The second sub- section is conflict management. In this sub-section, there are definition and description on different types of conflict and the situational effect to the styles as contingency theory of conflict. As third sub-section culture and conflict management styles is added. In this sub-section short description of culture has been discussed and is more focused to discuss of nature collectivist and behavior of people in those societies. This sub-section is added just to give a reader the basic idea of culture

and setting to which the research is conducted. Furthermore, this will increase the ability for a reader to understand the analysis and interpretation.

The third section is a hypothesis, where hypotheses are developed for this study. In this section, there are three sub-headings. The relationship between independent and dependent variables are developed under sub-headings. Such as a relationship and links between difference in conflict management style to perceived level of conflict, level of communication to perceived level of conflict and level of trust to perceived level of conflict is discussed and finally the hypothesis are developed in the discussion. At the end, research provides the complete hypothesis model that is developed and used in this research.

The fourth section is research methodology, where the research approach, choice of research method is discussed. The section also has discussion on the data collection technique used to collect data, measures how the questionnaire is developed and reliability and validity of research methodology, survey questionnaire and findings. As last heading commercial bank in Nepal is added. Under this heading, short description on some facts and status of commercial bank in Nepal are discussed. This will provide readers with an adequate amount of knowledge on the sample group of the research. Furthermore, this will increase the efficiency for a reader to understand the analysis and interpretation.

The Fifth section is empirical part of research with the heading of result and finding. The section has three sub-sections, where the analysis of data collection is presented through descriptive statistical tools, Pearson's correlation and Linear Regression. Then in the last part of section, the hypotheses are tested under the light of results got from regression analysis.

As the last section is discussion and conclusion, where the findings got from the data analysis are discussed in detail. In this part of the thesis, research discusses on why such

findings is encountered and provides explanations also discusses about the comments and remarks got from the follow up qualitative interview conducted to insure higher reliability of finding. The section further lays down the limitation of findings, an implication to research and practice. The section as well as a research paper ends under the topic of conclusion and suggestion to future researchers.

2. LITERATUR REVIEW

2.1 CONFLICT

2.1.1 Definition of conflict

“Conflict appears to be an integral component of human functioning” (Slabbert 2004: 83). Conflict as a survival need is a common and everyday life for nonhuman as they have to fight for their surveillance (Ramesh 1998: 229). However, when it comes to a human interacting also, there will be a conflict occurring, at least in some degree (Darling & Fogliasso 1999: 391). This means that a conflict can occur in everywhere – at home between the family members, friends or coworkers at work. People also usually think that conflict happens just like that to them. It is not that but as people make choices they tend to escalate or lead to more constructive outcomes of a conflict (Tjosvold 2006: 88-91). Conflict in this case is something that is worth of researching and knowing.

There are many definitions of conflict, each one with a different key aspect and research points. For example, Sitaram & Prosser (Ramesh 1998: 230) explains that conflict is the pursuit of incompatible goals by individuals or groups. However, additional to that, it is the perception of incompatible goals, and the interdependence of the two or more persons or groups in conflict. Same explanation is used by many other authors (see, for example, Folger & Poole 1984). Dean Tjosvold (2006: 89) also suggested that the term conflict as popularly used is typically reflecting to the assumption that conflict involves not only differences but incompatible goals and is a win-lose situation for members of a conflict. Conflict can be also referred to be a situation where one or more people cannot agree or create harmony with one another (Van Slyke 1999: 5). Usually people’s perceptions are reasons to conflict, in shape of communication or lack or impropriety of it (Ramesh 1998: 230). This means that people may perceive something falsely due to a bad communication. As mentioned, there are multiple reasons for a conflict to arise. Most often it is a fear of a

punishment, change or future outcome in an organization (Darling & Fogliasso 1999:384), but also disagreements or different thoughts about things.

Generally there can be identified two different models to consider when examining conflict: normative and dynamic models. Normative models see conflict as problematic and requiring elimination, whereas dynamic models consider conflict as natural and beneficial for the changing dynamics of a relationship. (Bavelas, Millar & Rogers 1984: 231.) Concluding the sum up definitions of conflict, this research refers conflict as a dynamic model as conflict is natural and is beneficial for developing relationship. But also is problematic as normative model and should be eliminated if it exceeds higher level than that of desirable. Conflict can originate from various reasons and that would be cleared in the later topic. But at this point, conflict is perceived incompatibility between the parties where they believe in an existence of disagreement between them, and strong and mutual unity does not exist between parties involved.

2.1.2 Positive and negative aspect of conflict to the organization

Relationship is an exceptionally fundamental instrument for a company as its members have to work together in various situations. That is why conflict in group level is crucial to consider. Basically, conflict is seen as independent and key issues of coordination, exchange, decision-making and support. Presently, researchers on leadership have emphasized the value of quality relationships as they have also acknowledged that relationships in a company are invaluable. Because managing conflict cooperatively, a company can develop these favorable relationships. That is why altering of core assumptions and practices in an organization are highly valued. (Tjosvold 2006: 91-92).

As people work together, conflict is inevitable. Every company history has at least experienced some degree of conflict. Conflict can have two forms those are negative and

positive. Baron (1997: 188-189) has come up with the thought that the majority of individual's cognitive processes lead a conflict to head into negative solutions. These cognitive processes are, for example, attributions, stereotypes and stereotype-driven thinking. Furthermore, if people are thinking too much, they are in relatively mild affecting states or have strong negative minds. Common line is that conflicts related to values or relationships are usually destructive for the company, whereas emotional conflicts are thought to be predictably costly (Tjosvold 2006: 91).

Negative consequences of a conflict are, for example, those that diverts drive from work, threatens psychological well being, wastes resources, creates a negative climate in an organization, breaks down group cohesion, and it can as well increase hostility and aggressive behaviors (Nelson & Quick: 2007: 303). Although conflict is often thought as a negative, it is not always necessarily disadvantageous. For example, what it comes to a trust between the coworkers, conflicts can disrupt trusting relationships or promote them (Hempel, Tjosvold & Zhang 2008: 43).

In contrast to these previous negative views, conflict can be seen also just a delightful addition to a business life and as a matter of fact, is an inevitable and a positive indicator of effective organizational management. According to him, little or no conflict in an organization will eventually lead to stagnation, poor decisions and ineffectiveness. Thus, conflict to a certain limit is desirable but at the same time organizational conflict left uncontrolled may have dysfunctional outcomes. (Rahim 2001: 12.) Furthermore, conflict can't be seen as destructive, because when managed constructively, conflicts can help involving parties dig into issues, understand the problems, develop solutions and even strengthen relationships (Tjosvold 2006: 87). Same thought is of Brahm (The conflict resolution information source 2004):

“Without conflict, attitudes, behavior, and relationships stay the same, regardless of whether they are fair. Conflict reveals problems and encourages those problems to be dealt with. Whether they are dealt with constructively or destructively depend on how the conflict is handled.”

Positive consequences of a conflict are, for example, that it may lead to new ideas, stimulates creativity, motivates change within a company, promotes organizational vitality, and helps individuals and groups to establish identities serving it as a safety valve to indicate problems. (Nelson & Quick: 2007: 303.) This benefit of a conflict is expected only through a skilful management. Later on this research, there will be more discussion about that under topic of conflict management but at this point, it is wise to mention, that management theorists used to talk too much about conflict avoidance and managers used to look up for several plans to how conflict can be avoid. Today they more and more refer to the term conflict management, which recognizes the fact that conflict can also bring significant benefits beside cost to a company. In this way, conflict can bring progress for both organization and individuals. (Darling & Fogliasso 1999: 384.) It is crucial however, that the manager recognizes the conflict in an early time and understands its nature of usefulness. A manager should also encourage exploration of different points of view in an organization, despite the risk of conflict arising from them later (Darling & Fogliasso 1999: 391).

In order to ensure that the conflict becomes useful for the firm, they must recognize the existence of it, encourage exploration of different points of view, even if it could lead to the conflict, and implement an effective plan of action for conflict management (Darling & Fogliasso 1999: 391). Conflict between individuals or groups often helps to uncover persistent problems and in that way they can undergo careful scrutiny and this serves an effective and necessary change to the company. Important is to maximize positive effects and reduce conflict's cynical and potentially disruptive effects. (Rahim 1990: 1.)

The perception of whether a conflict is positive or negative is also a result of the culture in which the conflict takes place. High context collectivist cultures do not isolate the individual from the situation and would appreciate a normative model, viewing conflict as being problematic. Low-context individualistic cultures encourage a distinction between the individual and the conflict issues and would follow a dynamic model, viewing conflict

as natural (Chua & Gudykunst 1987). This discussion would be further explained under the section of culture and conflict management, Right at this point it would be better to leave with a point that this thesis is conducted in the environmental setting of high context collectivist culture.

2.1.3. Causes and sources of conflict

There are various factors affecting to the conflict that is, for example, the nature of the issue relevant to the conflict, the size of the conflict, issue rigidity, the situation and the environment, individual personalities, traits and dispositions, conflict management orientation and strategies as well as, cultural influences and conflict management skills (Van Slyke, 1999: 15). Burke (2006) has done clarification that in his time, globalization was a primary cause of conflict in an organization. According to him, globalization leads to a consequent need for greater understanding and effectiveness in dealing with cross-cultural dynamics, and greater employee diversity caused by globalization. Companies are also constantly and with a rapid rate meeting change, especially in the external environment, for example, when a company experiences an unprecedented state of trying to catch up the pace of globalization and change. Working environment has equally noteworthy changed as organizational hierarchies have flattered. This causes less managerial oversight, more self-managed groups and virtual teams. Technological aspect has to be taken into a consideration also as electronic communication is increasing tremendously, that is causing less of human contact and the benefit of nonverbal cues has been lost. (Burke 2006: 782).

Furthermore, conflict may originate from a number of sources, such as tasks, values, goals etc. It is convenient to classify conflict assuming these sources for a proper understanding of its nature and implications. One way to see sources of conflict is to go them through from ten different points of views, all deriving from different sources. Next step is going shortly through some of prior explained causes and sources of a conflict. Affective conflict happens when people are trying to solve a problem together, but they perceive that their

feelings and emotions are incompatible. This means that affective conflict has a lot to do with feelings, whereas substantive conflict is associated with the task or other business-related issues in similar situations mentioned earlier. There is also a conflict of interest, which can be defined as an inconsistency between two parties in their preferences for the allocation of scarce resources, meaning that the parties have different and incompatible solutions in their minds. (Rahim 2001: 20-23.)

Conflict of values is an ideological conflict. It happens within an organization when involving individuals differ from their values or ideologies. Then there is a realistic and nonrealistic conflict. Realistic conflict refers to the incompatibilities that have rational content like tasks, goals, values and mean, whereas nonrealistic conflict occurs pursuant to an individual's call for releasing tension and expressing hostility, ignorance or mistake. Another word pair is an institutional and non-institutional conflict. Institutional conflict occurs in situations where actors follow explicit rules, exhibit predictable behavior and their relationship have continuity. In non-institutional conflict, those three conditions are nonexistent and this can be said to be the most ethnic conflict. The conflict with conflicting entities, where an entity feels the need for a drawn-out from issue in order to punish the opponent is called retributive conflict. Misattributed conflict relates to the incorrect assignment of causes like behaviors, parties or issues. In displaced conflict, the parties are either directing their frustrations and hostilities to social entities not involved on conflict, or then they argue over minor or no significant issues. (Rahim 2001: 21-22.)

Before mentioned factors are largely internal causes for a conflict. Additional to these, there are also external factors that can lead to conflict in the workplace. For example, economic pressures can be a source of recession, as well as changing markets, domestic and foreign competition, and the effects of Free Trade between countries. Customer service and distribution of goods can be a reason for a conflict arising with clients and suppliers. Political pressures, demands from special interest groups and change in government can have a tremendous impact on organizations and can act as highly potential sources of

conflict through external factor at the workplace. (Donais 2006.) The literature offers higher evidence that the lack of productive communication and hormonal understanding between individual exerts higher difference of culture difference. The lack of trust is the reasons why individual fear or avoid speaking and slowly loosen the grip/ bond, increasing the difference between them. As described in earlier explanation, the hostile and inappropriate approaches and action to fight against or dealing with disagreement and solving the situation is often a reason of increasing the level of conflict, psychological study has more evidence to the relationship between difference in conflict management style and level of conflict. Perceiving of conflict can also serve as a reason of conflict where the parties are not trusting and are adopting caution. This action in taking caution can itself be a cause of incompatibility perceiving and act as a factor in arising disagreement. There is high probability in rising disagreement of communication and trust, the research done in the management field on negotiation, business combination and merger and expatriates management have strong evidence of such types of conflict.

2.1.4. Types of conflict

Organizational conflict can be dealt into four different categories based on who is involved in it. Those are interpersonal conflict, intrapersonal conflict, intergroup conflict and intra group conflict. Thesis is based on interpersonal conflict. Burke (2006) has also addressed different levels of conflict in an organizational setting those are similarly to the general distinction mentioned above. Burke's distinction is 1) individuals with one of the interface (intrapersonal); 2) individuals with one another (interpersonal); 3) organizational units with other units (intragroup) and 4) inter organizational relationships (intergroup). These interfaces are not discrete, but it is useful to understand in how to treat them. (Burke 2006: 782.) Rahim (2001) has detail explained those types of conflict in his book. According to him, intrapersonal conflict is a condition in where an individual have difficulties to decide because of the uncertainty of things or if s/he is pushed or pulled into an opposite direction by something. Rahim explains that each member of an organization is facing this conflict

almost every day in a work. These opposite directions can be explained easily with three word pairs, which are approach-approach, approach-avoidance and avoidance-avoidance. In approach-approach, the party has to choose from two attractive alternatives. The book mentioned above have an example of the situation in where a manager have difficulty in choosing one in between two equally compelling subordinates to promote. Approach-avoidance is a condition in which an individual has to deal with a situation that possesses both positive and negative aspects. Avoidance-avoidance conflict happens when an individual has to choose between two equally negative alternatives, for example, manager choosing whether to accept a pay reduction or to quit an employee's work. (Rahim 2001: 97-98.)

Interpersonal conflict refers to the situation where there is incompatibility, disagreement or differences between two or more interacting individuals. There are several ways how to handle interpersonal conflict such as integrating, obliging, dominating, avoiding and compromising, (Rahim 2001: 117). According to Donais (2006), office politics, gossiping, rumors, language and personality styles often clash, creating an immense deal of interpersonal conflict in the workplace. Strong ethno-cultural and racial sources of conflict are seen in many workplaces, such as gender conflict. This leads to the existence of harassment and discrimination or at least the notion as such. Varying ideas about personal success can serve as the source of conflict at a workplace. The level of the drive for work-related achievement can act as a clash within participants. As this thesis focuses on interpersonal conflict, more explain about it is in the later parts. So this much of explanation is enough at this point just to show how these four types are differing from each other.

Intragroup conflict occurs when there is incompatibility, incongruence or disagreement among the members of a group or its subgroups regarding goals, functions or activities of the group. There has to be made a clearance that if the majority of the members of a group or its subgroups are not involved to the conflict, it is not called intragroup conflict. It is

indispensable to understand the groups in an organization and how they are involved in a conflict as groups are the building blocks of an organization. Secondly, groups provide the primary mechanism for the attainment of organizational goals. Plus to these, they provide psychological and other support to the individuals in an organization. (Rahim 2001: 143.) Therefore, this conflict is extremely pertinent to recognize in an organization.

Last organizational conflict is intergroup conflict. Intergroup conflict happens when there is common incompatibility or disagreement between two or more divisions, departments or subsystems in connection with tasks, resources or information. Intergroup conflict is common in complex organizations. This is because:

“complex organizations create different subsystems with homogenous tasks and distinct goals to increase overall organizational effectiveness. Although these subsystems develop distinct norms, orientations and attitudes (i.e., they become internally homogenous), they are required to work with each other for the attainment of organizational goals.” (Rahim 2001: 163.)

It is this interdependence of subsystems on tasks, resources, and information and the heterogeneity among them those are often the foremost generators of conflict between two or more subsystems (Rahim 2001: 163). According to Donais (2006), the hierarchy relating conflict and the inability to resolve conflicting interests are quite seen in most workplaces. Labor-management and supervisor-employee tensions are sensitive to power differences. Differences in supervisory styles between departments, work style clashes, seniority-juniority and pay equity conflict are a common source of organizational conflict. Donais suggested that conflict can arise over resource allocation, the allocation of duties, workload and benefits, different levels of tolerance for risk taking, and varying views on accountability. In short, perceived or actual differences in treatment between departments or groups of employees certainly arise from a conflict.

According to Donais (2006), the effective management of workplace conflict requires an understanding of the nature and sources of interpersonal conflict in the workplace. Conflict

occurs when there is a perception of incompatible interests between workplace participants. Conflict can exist without disputes, but disputes do not exist without conflict. Much conflict exists in every workplace without turning into disputes. He also suggested that the sources of workplace conflict can be categorized under interpersonal, organizational, change related, and external factors.

2.1.5 Interpersonal conflict

Interpersonal conflict has already been dealt under the topic of types of conflicts. As interpersonal conflict is one of key area in the research, the following discussion would go deeper in that subject.

People have different expectations, experiences, frames of reference and goals. These differences are, perhaps, clearly evident when individuals from different cultural or subculture group background work together. Interpersonal conflict is more related to such things as prestige. It deals with formal organizational structure that determines who gets what responsibilities and authority, leadership styles and arising expectations. (Blome 1983: 6.)

Interpersonal conflict can be said to be a phenomenon that occurs between interdependent parties in situations where parties experience negative emotional reactions to perceived disagreements or/and interference with the attainment of their goals (Barki & Hartwick 2002: 8). The conflict is seen as having three components those are attitudes, behavior and contradiction. Attitudes include both cognitive ideas and emotions, whereas a behavior component involves explicit behavior and potential for offensive or hostile actions. Contradiction means all the values and interests, which are incompatible between parties or within one person. (Bodtker & Jameson 2001: 266.) One definition to conflict and similarly interpersonal conflict is to see it as the level of conflict tension, frustration, and disagreement in the relationship. In this situation, one channel member perceives that

another channel member is engaged in behavior that is preventing or impeding it from achieving its goals. (Geyskens, Steenkam & Kumar 1999: 225.)

There are various authors who have defined interpersonal conflict under different sub- set those are presented in the figure (Figure 1 and Table 1). While conflict has been defined in many different ways, three general themes or properties are thought to underlie descriptions of what conflict is disagreement, interference, and negative emotion (Barki & Hartwick, 2002). Interpersonal conflict focusing on its three fundamental properties can either be single or in various combinations of them.

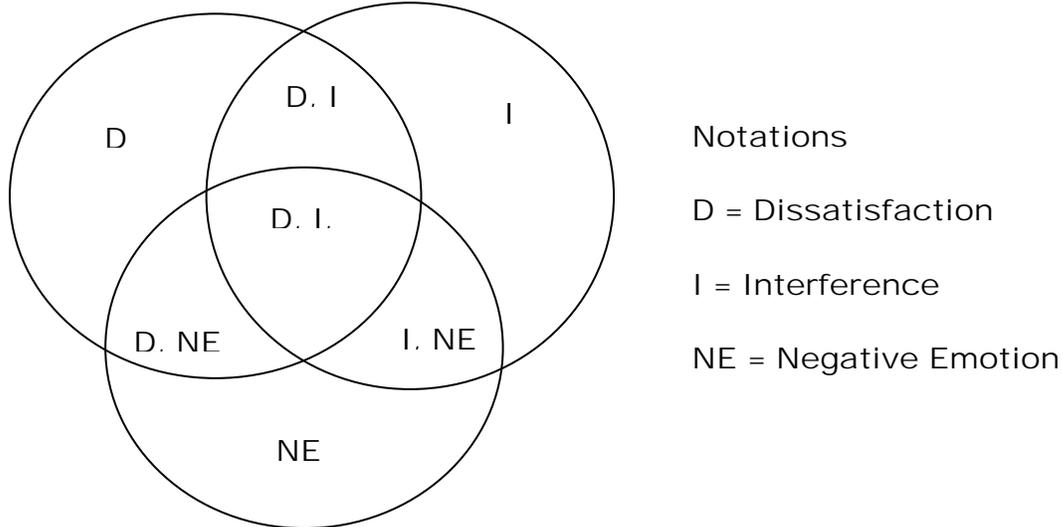


Figure 1. Venn Diagram for Components of Conflict (Barki & Hartwick 2002: 6)

Interpersonal conflict can be viewed with reflection to as of cognitive, behavioral and affective disorder. Cognition factor as of disagreement is the most commonly discussed and assessed in the literature. When parties perceive divergence of values, needs, interests, opinions, goals, or objectives, it is considered that there exists disagreement. Debate, argumentation, competition, political maneuvering, back-stabbing, aggression, hostility, and destruction are behavioral characteristic associated with interpersonal conflict. As

explained above, this is the most considered element in literature of conflict, but it has been argued and justified besides that it is not mandatory for existence of disagreement for the existence of conflict. Conflict does often exist even when the behaviors of either party's interfere or oppose another party's attainment interests, objectives or goals. Furthermore, negative emotions as fear, jealousy, anger, anxiety, and frustration have been also used frequently to characterize an interpersonal conflict. Situations of pure disagreement, negative emotion, or behavioral interference have their roots in these three distinct phenomena explained above. They are likely to differ from each other in terms of how they occur and conditions that lead to it, as well as in terms of how individuals react and consequences (Barki & Hartwick, 2002: 5.)

Table 1. Definitions of interpersonal conflict (Source: Barki & Hartwick 2002)

Emphasis on	Definition of conflict	Author
Presence of Disagreement (D)	"All relations between sets of individuals that involve an incompatible difference of objective ... are in this sense relations of social conflict." (p. 135).	Dahrendorf (1958)
Presence of Negative Emotion (NE)	"An awareness on the part of the parties involved of discrepancies, incompatible wishes, or irreconcilable desires." (p. 238)	Jehn and Mannix (2001)
Perceived Interference (I)	"A process in which one party perceives that its interests are being opposed or negatively affected by another party." (p. 517).	Wall and Callister (1995)
Presence of all D,I,NE	"The term conflict refers neither to its antecedent conditions, nor to individual awareness of it, nor certain affective states, nor its overt manifestations, nor its residues of feeling, precedent, or structure, but to all of these taken together ..." (p. 319).	Pondy (1967)
Presence of Disagreement and Interference	argued for a definition of conflict that reflects the joint presence of disagreement (mutually exclusive and/or mutually incompatible values and opposed values) and interference (mutually opposed actions and counteractions, as well as behaviors that injure, thwart, or attempt to control other parties).	Mack and Snyder (1957)

Presence of either combination of D, I & NE	"An expressed struggle between at least two interdependent parties who perceive incompatible goals, scarce rewards, and interference from the other party in achieving their goals." (p. 23).	Hocker and Wilmot (1985)
Presence of either combination of D, I & NE or existence of either of one	"Any social situation or process in which two or more social entities are linked by at least one form of antagonistic psychological relation or at least one form of antagonistic interaction." "A number of different kinds of psychological antagonisms (e.g., incompatible goals, mutually exclusive interests, emotional hostility, factual or value dissensus, traditional enmities, etc.) and a number of different kinds of antagonistic interaction (ranging from the most direct, violent and unregulated struggle to the most subtle, indirect, and highly regulated forms of mutual interference), none of which is necessarily present in all instances of conflict."(p. 456).	Fink (1968)
Presence of combination of D, I & NE only	Interpersonal conflict is a dynamic process that occurs between interdependent parties as they experience negative emotional reactions to perceived disagreements and interference with the attainment of their goals. According to this definition, interpersonal conflict exists only when all of its three components (i.e., disagreement, interference, and negative emotion) are present in a situation. Cases of pure disagreement, pure interference, pure emotion, or cases combining only two of these components, are not considered to be instances of interpersonal conflict.	Barki & Hartwick (2002)

Interpersonal conflicts found in organizational contexts are either about an organizational task that needs to be accomplished (Task Conflict) or issue not related to an organizational task (Non-Task Conflict). Task Conflict can either be classified to about an organizational task's outcome (i.e., what is to be accomplished by the task) or the organizational task's process used to perform the task (i.e., how the task is to be accomplished). In the Table 2 presented below the items from cells 1-2, 6-7, and 11-12 would measure disagreement, interference, and negative emotion with respect to the task outcomes and task processes of the work. Whereas, Non-Task conflicts can be classified into either be about other specific non-task organizational issues (i.e., issues that are not directly related to the organizational task - shift and vacation times, credit for performance, promotions, etc.), or about specific

non-organizational issues (i.e., issues that are not directly related to the organization - personal loans, recreational teams, spousal affairs, children's interactions, etc.). In the Table 2 presented below the items from cells 3- 4, 8-9, and 13-14 would measure disagreement, interference, and negative emotion regarding specific organizational issues that are not related to the task, as well as regarding issues that do not concern the organization. The description would be classified well in the Table 2 presented below (Barki & Hartwick, 2002; 10).

“Specifying the component (disagreement, interference, or negative emotion) and the focus interpersonal conflict the framework identifies 12 interpersonal conflict types that can be assessed (corresponding to cells 1-4, 6-9, and 11-14 in Table 2). To these, eight additional assessments can be added corresponding to general operationalization of interpersonal conflict which do not specify either the component or the issue of conflict being assessed (corresponding to cells 5, 10, 15-16, and 19-20 in Table 2). Additional items of an overall nature could also be developed as criterion measures and for validation purposes (cells 5, 10, 15, 16-20)” (Barki & Hartwick 2002: 13).

Barki and Hartwick (2002), suggest that from the framework of Table 2 presented below, provides a comprehensive structure for conceptualizing and rationalizing the construct of interpersonal conflict in future research. However as Barki and Hartwick lead out many combinations and individual sets of propositions to calculate the level of conflict between an individual, in this thesis only disagreement is used to calculate the perceived level of conflict. Thus, maybe it can be conclude that the presence of disagreement between individuals in perceived level of conflict as Dahrendorf proposition of calculating the level of conflict. Limiting its scope into only disagreement and ignoring other factor interference, negative emotion and their combinations, the research makes it viable as per the requirement of the master thesis.

Table 2. A typology for the conceptualization and assessment of interpersonal conflict in organizations (Barki & Hartwick 2002: 10)

		Focus of Conflict				
		Task Conflict		Non-Task Conflict		Conflict Issue Not Specified
		Task Outcome (What)	Task Process (How)	Non-Task Organizational Issue	Non-Organizational Issue	
Components of Conflict	Cognition/Disagreement	1 disagreement with X over task content	2 disagreement with X over task process	3 disagreement with X over non-task organizational issue	4 disagreement with X over non-organizational issue	5 disagreement with X
	Behavior/Interference	6 interference with X over task content	7 interference with X over task process	8 interference with X over non-task organizational issue	9 interference with X over non-organizational issue	10 interference with X
	Affect/Negative Emotion	11 negative emotion toward X over task content	12 negative emotion toward X over task process	13 negative emotion toward X over non-task organizational issue	14 negative emotion toward X over non-organizational issue	15 negative emotion toward X
Overall Conflict		16 conflict with X over task content	17 conflict with X over task process	18 conflict with X over non-task organizational issue	19 conflict with X over non-organizational issue	20 conflict with X

2.2. CONFLICT MANAGEMENT

2.2.1 Introduction to Conflict management

In the past, management theorists focused and used the term conflict avoidance when there was a situation which involved taking action for conflict (Darling & Fogliasso 1999: 384). After all, conflict has been seen for a longer time already as a spot from where it is

advantageous to escape from as we do not know for sure what the nature of the outcome is of conflicts (Ramesh 1998: 229). However, in recent days the concept of conflict avoidance is replaced with a term conflict management. This way of viewing conflict makes it possible to recognize that a conflict appears to be often associated with costs, but additional to that, it can also bring benefits to the organization. In that situation, today's managers do not seek for avoidance but managing when it comes to conflicts. An effective manager uses the conflict situation as an opportunity for growth for both organization and individuals involved. (Darling & Fogliasso 1999: 384.)

It is better to manage conflict rather than to avoid and suppress it. When conflict is avoided and suppressed, it reduces individual creativity, decision quality in group, product development and communication between work groups. Only conflict managed well can be beneficial to performance in groups and organizations (De Dreu 1997: 9). It is, however, crucial to separate conflict management from conflict resolution as they are a different thing. Conflict resolution is taking place when reducing, eliminating and terminating a conflict. In contrast, conflict management is rather designing effective strategies to minimize dysfunctions of conflict and enhancing the constructive functions of conflict. This is done in order to enhance learning and effectiveness of an organization. For example, conflict resolution is much involved with the cases of negotiation, bargaining, mediation and arbitration. (Rahim 2001: 75-76.)

Recently, as well as in the past, managers are aware of management of a conflict. American Management Association sponsored study by Schmidt and Thomas (1976) showed that middle and top managers have a growing interest in learning more about the prevention as well as management of a conflict. In this research, the respondents felt that their ability to manage conflict had become more prominent for the past 10 years, and they were respectively dealing with conflict almost 26 percent of their time. This lead to that, that they rated conflict management as equal or even higher in importance, for example, with planning, communication, motivation or decision making. (Schmidt & Thomas 1976: 315-

318.) Eventhough the study is from over 30 years ago, it can be assumed that the situation has stayed similar or possibly the importance has grown more.

When conflict arises, we assess a variety of factors before selecting approach to the situation, meaning how we start working with that. For example, we may start to compete or dominate the conflict where we try to impose will on the other side of a conflict with the physical or psychological means. Opposite way of approach is to accommodate or surrender to the situation leading to cede the victory to the other side. Third way is to decide to withdraw by either doing nothing or refusing to participate in the conflict at all. Lastly, we may collaborate and reach a constructive and mutually acceptable solution. (Van Slyke 1999: 131.) All this is reflecting to the outcome of the conflict. Next I will go through styles of conflict management more closely.

2.2.2 Styles of conflict management

There are two types of conflict problem resolution; formal that needs professional experts in solving and other conflict those are unseen (hidden). The hidden conflict (emotion) makes a significant impact upon organizations and end up by either resolving or proceed to a formal mechanism. Schermerhorn, Hunt and Osborn (2002: 127) expressed that emotional conflict intrudes into the feelings of a situation, such as anger, mistrust, dislike, fear, resentment, and the like. This is commonly called “clash of personalities”. Kolb and Bartunek (1992) supported emotion as a conflict management tool. Emotions are means of conflict management rather than a hindrance to conflict management. (Kolb, Lewicki & Bartunek, 1992: 20.) Expressing emotion does not necessarily imply a loss of reason. However, extreme emotion can act as a hindrance to resolution. Emotions cannot be directly considered harmful or right, but it depends upon the level of intensity.

Conflict is a key element of socio-cultural interactions and conflict management skills are extremely influential and essential for maintaining almost all human relationships.

Individuals' skills of understanding the effectiveness of different conflict management style are based on the ability of them to manage conflict successfully.

“ A moderate amount of conflict, handled in a constructive manner, is essential for attaining and maintaining an optimum level of organizational effectiveness” (Rahim 2001: 12)

Hocker and Wilmot (2001) explained that mismanagement of conflicts is often complex and can lead to the stoppage of communication and disagreement. Constructive conflict management depends significantly on emotional awareness and social interaction skill, or less on our cognitive capacities. When it comes to effectively handled conflict, we should break all of those down into structural components, isolate the variables, identify the problem, and develop a systematic solution.

One way to start presenting conflict management styles is to present the dual concern model as it offers further understanding to management styles. It deals the style of conflict management based on a two-dimensional. Those are concern for self and concern for other's interests and outcomes. This concern either to oneself or other's is related to conflict management styles of integrating, obliging, dominating, avoiding and compromising as showed in a Figure 2.

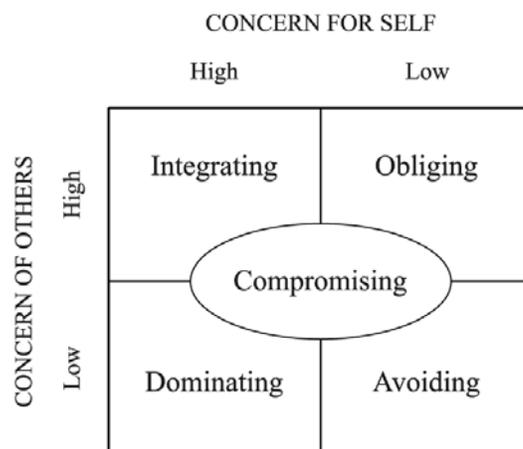


Figure 2. A two-dimensional model of the styles of handling Interpersonal conflict. (Rahim & Bonoma 1979: 1327.)

Usually it is seen that there is mainly five different conflict management styles. Different researchers and articles use different terms of these styles, but they are similar in many ways. Before mentioned five styles were of Rahim's, but Blake and Mouton are using the terms of problem solving, forcing, compromising, smoothing and withdrawing as to determine the conflict management styles (Zarankin 2007). Thomas (1976) and Hocker and Wilmot (2001) classified these styles with the terms of collaborating, competition, compromise, accommodating and avoidance, whereas Schermerhorn, Hunt and Osborn (2007) used the terms collaboration or problem solving, competition or authoritative command, compromise, smoothing or accommodating and avoidance. As it can be seen, terms are only little varying between the researchers.

In earlier figure, there was shown the relationship between conflict management styles and concern for others/oneself. In the next Figure 3, the Figure goes deeper into the thought of concerns of other/oneself by showing the levels of cooperativeness and assertiveness.

According to the Figure 3 presented below it can be understood that competition and collaboration styles poses higher assertive tendency and collaborative and accommodative poses higher cooperative tendency. Avoidance and accommodation styles pose low assertive tendency and competitive and avoidance styles exerts low cooperative tendency. Compromise style is considered to lie in the middle of assertiveness and cooperativeness (Hong 2005.)

Collaboration is the most preferred style where there is a high concern for both self and other. There is Win-win situation, where there is maximized satisfaction of needs for both parties and focus is on working together. In collaboration style, supportive remarks, understanding and agreement, acceptance of responsibility, and constructive viewpoint between parties are developed. This style is appropriate when the goal is to meet as many current needs as possible by using mutual resources and when the goal is to cultivate

ownership and commitment. This approach sometimes raises new mutual needs. (Hong 2005.)

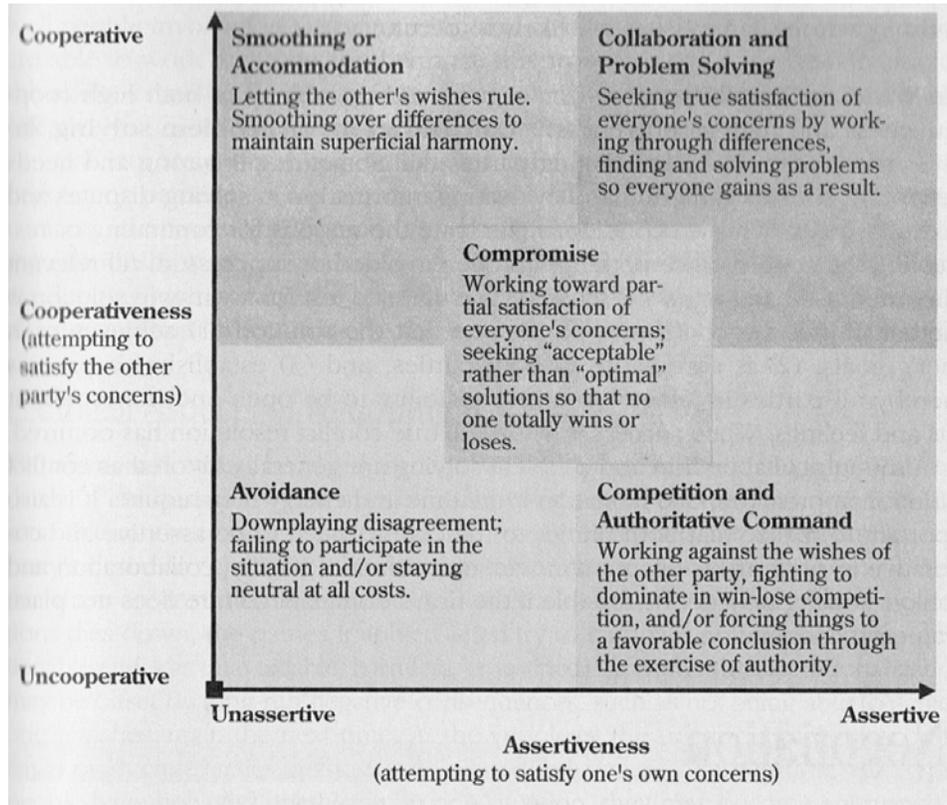


Figure 3. Theoretical representative of five conflict management strategies as a function of concern for self and concern for other

Accommodating style has a low concern for self and high concern for other. The style can be described as Win-lose situation (minimizing individual needs or goals in expenditure for other). Either party sacrifices their own needs or goals settings aside in pleasuring other. They tend to give other to the extent that it may harm them self. Style is adopted in case, if there is strong emotional bond relationship between them. The style is extremely sparing and infrequent and is appropriate to use in situations when knowing that there will come

another more useful approach in the near future. Usually this approach tends to magnify the conflict over time, and causes conflicts within conflicting parties. (Hong 2005.)

Competition is the most confrontational style where there is a high concern for self and low concern for other. The style can be described as Win-lose situation (maximizing individual needs or goals at the expense of other), effort to make your point rather than clarifying and addressing the issue. Competition style is likely to be adopted when parties are willing to give up or when they detect a risk of no future and parties tend to use persuasive tactics such as personal criticism, threats, hostile imperatives and denial of responsibility. This style is appropriate to use when having a strong confidence about self position. (Hong 2005.)

Avoidance style has a low concern for self and low concern for others. The style can be described as pretend it is not there or ignore it, run away from conflict and always give up from dealing, believing that the conflict will somehow disappear. Avoid contact and deny conflict, changing and avoiding topics, being unraveling are common characteristics being adopted by individuals in this style. Appropriate to use when it certainly is not worth the effort to argue. Usually this approach tends to magnify the conflict over time. The style is characterized by Lose-lose situation where both the parties experience a loss and nobody wins. (Hong 2005.)

Compromise style has average assertiveness, and cooperation putting average concern for self and concern for the other. The style is about mutual give-and-take. Party gains and loses some (give away and get some) for a mutually acceptable solution. Individuals try to maximize wins and minimize losses. The style is more appropriate to use when the goal is to get past the issue and move on. Such style is also seen in practice when an immediate short-term solution is needed, when willingness to solve the problem or environmental pressure, limitations of time or perceived to be high cost if continued. (Hong 2005.)

Summarizing the content of different conflict management styles mentioned above, Jongbae Hong (2005) claimed that there is no either of the best style to deal with conflict, but it depends on the situation of conflict. De Dreu, van Dierendonck and Dijkstra (2004: 9) also support the idea that situational influences cause individuals to adopt different conflict management styles across time and work settings.

As we deal with human in conflict, if we do not convince the other party, we have not resolved the conflict, and it is possible for it to rise again within the time (Van Slyke, 1999: 32). In the sense of management, style of managing conflict can be categorized of how it is been carried out; win - win situation, win-lose situation and lose-lose situation. As parties concluding their conflict considering by focusing into mutual expectation fulfillment in compliance for the settlement of conflict, the case is a win-win situation. Where the one loses and, the other parties win, it is the case of win - lose situation. This is a critical circumstances where the relationship face possibilities of endanger of a future conflict situation. The last and worse among the situations is a lose - lose situation, where both parties lose and nobody wins, resulting into companies shut down or serious organizational reforms. (Schermerhorn, Hunt & Osborn 2007)

There are numbers of different styles that individuals adopt in facing the conflict as mentioned earlier. Usually avoidance and denial of existence of conflict is a common response for a conflict, where the worse case is that the participants in conflict don't identify the disputes. This is a more difficult situation because in this case the conflict lies in the background, and the community does not realize that the conflict can be of potential benefit or future threats. The second response for a conflict is, either of member acts with hostile emotions that lead in boosting up the strength of friction between the members and in response to that the other amplifying defensiveness. Because of common appearance of this style, the conflict is mostly absorbed to be negative as explained in positive aspect of conflict. The third response is where parties demonstrate their power and expect to win at the other's expense. This response often encounters competitive environment and tends to

worsen the situation. Similarly, the fourth response is the compromise, where a person tends to leave or just drop the conflict situation letting the counter party win in the expense of one's own. These types of responses are high resulting to loss of trust or distance in the long run.

2.2.3 Choice of conflict management style and contingency approach

Individuals may exhibit a number of conflict management styles, and no single strategy is likely to be characteristic of an individual. Each strategy may or may not be suitable for different conflict situations, so the choice of strategy is dependent on the situation (Putnam & Wilson, 1982). Moberg (1998) supports the idea that it is not appropriate or practical to implement one style for all conflicts or participants. The method should be chosen based on the context of the situation.

As of conflict, different researchers have used terms as annoyance, dispute, distrust, disagreement and incompatibility to assess conflict. Behavioral researchers suggest a more appropriate style to use in conflict management as integrating or problem-solving, whereas the other groups of researchers propose that another style may be more appropriate over others depending upon the situation. Effective managing of conflict is matching styles appropriate to the situation (Rahim 2001: 81). Precisely, no single style of conflict handling is always right. In any given situation, either style of handling conflict may be more appropriate than others. Therefore, many scholars argue a situational/contingency approach to handling conflicts, which argues that the appropriateness of using a style depends on the conflict situation. (Thomas 1976.)

Management scholars now agree that there is no one best approach to make a decision or to organize an organization. That is why it is vital to recognize the situational effect and issue of a conflict. There has come a theory or term called the contingency approach to explain this. It is also referred to as a situational approach. (Rahim 2001: 85-86.)

The decision theory of leadership states that there are five leadership styles (1 = Autocratic, 5= Participative) those are appropriate with reliant to the situation. The theory considers two variables; the quality of the selection and adoption of the decision. It suggests that when both are high, autocratic style is more favorable and when both are less, participative style is appropriate. There it appears that effective leadership depends on matching of leadership style with the situation. The failure to match two variables leads to inefficient leadership. (Rahim 2001: 85.)

“Taking the contingency approach in mind, contingency theory of conflict management can be developed. For low decision quality and acceptance dominating style of conflict management and for high decision quality and acceptance integrating style is most appropriate” (Rahim 2001: 85).

Theory of conflict management has similar thought as those of Contingency theory of Fiedler’s, Path-goal theory of leadership by House and the Decision theory of leadership by Vroom and Yetton., that there is no one best style to deal with and effectiveness of style differs with the situation. (Rahim 2001: 85-86.)

2.2.4 Situational suitability for conflict management styles

As discussed in conflict management styles, there are five key styles of handling conflict. As discussed in a contingency approach part, these styles are appropriate at certain situations and inappropriate in other. Below discussed are general guidelines for the situational use of these styles.

Integrating style is appropriate for the situation where the issue is complex and the synthesis of idea is needed to come up with the solution. It is also beneficial when commitment is needed from other parties for successful implementation but when one party alone cannot solve the problem. When resources possessed by different parties are needed to solve their common problems and time available for problem solving is there, integrating

style is appropriate. This style is not appropriate when the task or problem is ordinary or quick decision is required. It is also inappropriate when other parties are unconcerned about an outcome and do not have problem-solving skills. (Rahim 2001: 81-82.)

Obligation style is appropriate when suspected that you may be wrong and the issue is more beneficial to other parties. It is also appropriate when not willing to give up something in exchange for something from the other party in the future, or when you not dealing from a position of weakness and when preserving relationship is not essential. On the other hand, it is not appropriate to use this style when the issue is crucial, or if you suspect that you are right and the other party is incorrect or unethical. Dominating style is appropriate to the situation when the issue is a minor and prompt decision is needed. It is also suitable for the situation where an unpopular course of action is implemented. Assertive subordinates are needed to overcome or unfavorable decision by the other party may be injurious. It is as well proper when subordinates lack the expertise to make complex decisions or when the issue is important, dominating style is inappropriate. Also when the issue is complex, or it is not important to you, the style is inappropriate. Furthermore, when parties are equally strong, the decision does not need to be done quickly or subordinates possess a high level of competence, this style is not fair to be used. (Rahim 2001: 82-83)

Avoiding style is appropriate for a situation such as where issues are incidental or when a potential dysfunctional intention of confronting the other party outweighs to the benefit of resolution. This is not right to use also when a cooling-off period is needed. This style is not suitable for situations, when the issue is crucial or when it is your responsibility to make the decision. It is also inappropriate in situations where parties are willing to surrender, issue must be solved or instant action is needed. (Rahim 2001: 82-83)

Compromising style is appropriate when the goal of parties is mutually exclusive and parties are equally strong. It is suitable to use also in a situation where consensus cannot be reached and integrating or dominating style is not successful as well as when a temporary

solution to a complex problem is needed to be created. Inappropriate this style is when one party is more powerful than the other or problem is complex enough. It is inappropriate when conflicting issue is rather in a need of a problem-solving approach. (Rahim 2001: 82-83)

2.3 CULTURAL AND CONFLICT MANAGEMENT STYLES

Culture is related to a conflict as when cultures mismatching, conflicts are emerging. That is why culture is a fundamental aspect to explain before leaving literature review. Culture is dealt into collectivistic and individualistic cultures, based on how people behave. This is indispensable when researching people; their behaviors and thoughts. It is necessary to discuss culture and predominantly concentrate on the collectivist culture, since Nepal is a collectivist society. For better understanding of this research setting, it would be better to explore little about the culture.

2.3.1 Defining culture

Culture is “*the collective programming of the mind that distinguishes the members of one group or category of people from other*” (Hofstede & Hofstede 2005: 4). Culture consists in patterned ways of thinking, feeling and reacting; those are acquired mainly by symbols, constituting the distinctive achievements of human groups. Moreover, the essential core of culture consists of traditional ideas and in particular from their attached values. (Kluckhohn & Kroeber 1952: 181.) Culture is typically used for societies or ethnic and regional groups, but it can also be applied to other human collectivities as organizations (Hofstede 1984: 21). The main idea in culture is that a person is grown to the culture and learns norms and values along with living. Culture is in the other words learned from ones social context rather than from ones genes. In organizational aspect, the system is different as organization’s members have not grown up to it. In this way, organizational culture can

also be seen as more of a subculture to humans. (Hofstede 1984: 21; Hofstede & Hofstede 2005: 35 & 4.)

Conflict and culture can easily be related to each other. What it comes to culture, conflict is anticipated when there is involvement of people from different cultures. Conflict can occur as every culture has their own ways of managing conflicts and these ways does not match with each other (Hofstede 1984: 15).

“The individual level of human programming is the truly unique part – no two people are programmed exactly alike, This is the level of individual personality, and provides for a wide range of alternative behaviors within the same [...] culture”.

Hofstede and Hofstede (2005) also talked about people in a group carrying a set of common mental programs those constitute it’s culture. People are affiliated to number of different groups and categories at the same time, carrying several different layers of values within themselves, corresponding to different levels of culture. These levels are national level, regional/ ethnic/ religious/ linguistic affiliation level, gender level, generation level, social class (educational/ profession) and organizational level. These layers in themselves have some conflicting issues, where values collide and are acceptable to one making it not reasonable to another. (Hofstede & Hofstede 2005: 11.) In this research, the class is mainly in organizational, but it should not be forgotten that there is a hint of other levels also affecting to this research and its results.

Hofstede and Hofstede (2005) have identified categories of cultural values, their applications in an organization and the risk of mismatch between them. These are the things concerned to this research, but it will not be feasible to go into deeper discussion and analysis of them. Cultural values gradually grow and are embedded in the collective memory of the people in the community forming values to set rules of conduct (Ali, Hsieh, Krishnan & Lee 2005: 3).

A popular dimension of culture is done by Hofstede as he deals culture into collectivistic and individualistic cultures. Ali et al. (2005) include a statement that researchers from a different field have commented that the study of the individualism-collectivism dimension provides valuable insight into cultural differences and orientations. In the article of Ali et al., Triandis comments that the dimension serves as the most significant factor in studying cultural differences. Also Oyserman, Coon, and Kimmelmeier stated that the dimension provides a powerful explanatory tool for understanding the variability in the behavior of individuals in different parts of the world. Williams argues as well that the dimension makes up a portion of a culture's core set of values and serves as organizing principles for both interpersonal and intrapersonal relationships. (Ali, Hsieh, Krishnan & Lee 2005: 3-4.)

2.3.2. Collectivistic culture

As discussed earlier the setting for this research only addresses collectivist society, thus the details on individualistic society is left over. And individualistic society is only discussed in a theme to comparison to collectivist society. Geert Hofstede's cultural dimension explains that the society can be classified into two broad characteristic features, individualism and collectivism, based on the degree to which individuals are integrated into groups. In individualist culture, individuals do not hold strong ties between them and are expected to be more involved only after themselves or their immediate family. On the contradictory, in the collectivist society's people from birth are integrated into strong, cohesive in-groups. They perhaps feel more responsibility to extended families from grandparent's generation and continue protecting them in exchange for unquestioning loyalty. People in collective society is family concerned, more of "we" oriented. The "we" group or in-group is the foremost source of one's identity. Therefore, a member of the in-group owes lifelong adherence to ones in-group, and breaking loyalty is among the worse things people can do. (Hofstede & Hofstede 2005: 74-76.) This means that, for collectivistic cultures an in-group harmony is essential, and they offer more prior to the group goals than that of individual goals.

Most scholars agree that in collective culture group welfare, group goals, interdependence, and relationships take priority in individual life and conduct. People in collective societies give special attention to social relationships, spend a considerable deal of time getting to know the people around them. The nature of relationships in a collective society induces individuals to be conformist to the primary group norms and beliefs and to assume responsibilities that encourage in-group relationships and thus improve their status in the group. Socialization in an organization is about putting emphasis on compliance, obedience, and responsibility in a collective society (Ali, Hsieh, Krishnan & Lee 2005: 4.)

According to Process-oriented model, people from a collective society put emphasis on mutual face, in-group/out-group relationships, and substantive issue discussion after proper framework management, and win-win results. They also see conflict as generally dysfunctional, interpersonally embarrassing and disturbing and a sphere for group-related face loss and face humiliation. (Hong 2005: 10-11.) This study moves in the area of collectivistic culture. Conflict is truly much relevant, especially in collectivistic societies, as there has been found evidence of that avoidance of conflict is an inherent factor in collectivist cultures. This is because individuals in collectivist cultures fear to lose their face and are afraid that the disruption of harmony may occur in their organizations during conflicts. (Lin, Ting-Toomey & Trubisky 1991.) This is a key point to understand when analyzing the questionnaires, as people may not always reveal all things to out-group members.

Punishment factor is also issue, as people in collectivist society are intensely conscious and in fear of getting punishment of wrong behavior. Fear can have different faces such as it may lead people to hide things in afraid of being judged negative. The presence of fear is one of the common core driver of people's behavioral patterns. The fear can also be seen as the limiting factor for individual and organizational success causing inharmonious relation. The fear drives people to hide, aggress against, misunderstand and miscommunicate with each other leading to the role of conflict. (Horne 2009: 1.) Again,

this is a crucial point to understand in this study and especially should be kept in mind when analyzing and interpreting results.

2.3.3 Nepal as a collectivistic cultural country

According to The world fact book (CIA), Nepal is a landlocked, strategic location between China and India and contains eight of world's 10 highest peaks, including Mount Everest and Kanchenjunga - the world's first and the third tallest on the borders with China and India respectively (CIA 2011). The population of Nepal was 28,563,377 and population growth ratio was 1.281% according to the information in July 2010. The population is distributed among three age group; people between 15-64 years have the highest population of 59.2% (male 8,094,494/female 8,812,675), followed by 0-14 years 36.6% and 65 years and over 4.2%. Nepalese population has been divided within a different ethical group; Chhettri 15.5%, Brahman-Hill 12.5%, Magar 7%, Tharu 6.6%, Tamang 5.5%, Newar 5.4%, Muslim 4.2%, Kami 3.9%, Yadav 3.9%, other 32.7%, unspecified 2.8% and they follow different religion Hindu 80.6%, Buddhist 10.7%, Muslim 4.2%, Kirant 3.6%, other 0.9%. The population uses different languages; Nepali 47.8%, Maithali 12.1%, Bhojpuri 7.4%, Tharu (Dagaura/Rana) 5.8%, Tamang 5.1%, Newar 3.6%, Magar 3.3%, Awadhi 2.4%, other 10%, unspecified 2.5% (2001 censuses) [note: many in government and business also speak English (2001). 48.6% of total population are literate among them 62.7% are male and 34.9% are female (2001 census).]

As noted above it is clear, that the population is divided into different sub cultures even within the national culture. However, no matter how unlike they are to each other, they certainly fall under the description of collectivist society as so many other Asian countries as well (Bruschi, Cole & Tamang 2002: 984). In the Nepalese context of collectivism, they stress the importance of respecting authority, maintaining social harmony, and subordinating individual aims and goals in the interest of promoting group welfare. This repeating of collectivist character is more confirming Nepal to be a collectivist country. Furthermore, experience and expression of shame acknowledge the person's wickedness

and willingness to submit to authority for the greater good of the whole group. (Shaffer 2009: 122.) This desire to maintain social harmony may lead to some silence of a conflict in this research result, even though the questionnaire was conducted anonymous. Additionally, to this, a care was taken to replace word conflict with disagreement to provoke respondents to give more reliably answer the questions.

3. HYPOTHESIS

In this section, hypotheses are built based on literature review. The main focus of this research is on interpersonal conflict and does not consider only single specific group. It is easy understandable that the hypothesis is between the relationships and can be expected that with all three sets of relationship (manager-managers, manager-employee and employee- employees), the result is identical. Such as if differences in conflict management style between managers are positively related to perceived level of conflict then that goes out consistent with other sets of relationship (between employees and between manager and employee). Thus, it can be expected that the hypothesis (factor) between different sets of relationship would result into same.

As explained above, it takes not much effort to additionally use three sets of relationship, since the procedure on analysis is consistent. The research includes three set than just one of the sets. It can also be seen that, taking three sets makes more sense and resourceful, than just a set among them. Despite analysis requires more time and energy but including all three sets makes the study more interesting and offers more options to compare and analyze the result.

3.1 Differences in conflict management style

The researchers have divided the conflict management handling styles into five – integrating, obliging, dominating, avoiding and compromising as described in the before section. Behavioral researchers suggest the most appropriate style to conflict management as integrating or problem-solving, whereas the other group of researchers proposes that one style may be more appropriate over others depending upon the situation. Effective managing of conflict is to find a matching style with a situation in which it occurred

(Rahim 2001: 81). As referred to contingency approach, it can be understood that there is no such hard and fast rule of the best conflict management style but it all depends on the situation. Every conflict management style has its own positive and negative side, which makes them most suitable for either of the situation and most unsuitable for other. However, researchers have well defined that if the most suitable conflict management style is used in the context of a situation, the result is better. Usually when the conflict situation reaches the worse, reason behind to it is the use of inappropriate conflict management style in accordance to the situation. (Rahim 2001.)

Knapp et al. (1988) explain that everyone is used to using only one conflict management style in real, but different situation and circumstances give rise to the need of multiple styles of managing the conflict and achieving one's goals. Putnam and Wilson's (1982) also support the idea that situation drives conflict management styles, even though a person is capable of using several different conflict management styles simultaneously. Furthermore, Canary, Cupach, and Serpe (2001) claimed that people tend to use only one conflict management style despite the influence of other factors. Different conflict management instruments such as Thomas Kilmann's Conflict Mode Instrument and Kraybill's Conflict management style instrument are based on the idea that people are more comfortable using one or more conflict management style. Preference to different conflict management styles can be based on different factors such as manager's or employee's level of education, experience, values and culture. They tend to put the most preferred style into priority. Without understanding the situation properly, conflicting parties tend to act with the style they are more comfortable with or are known of. This brings out complexity and acts as component to escalate conflict into worse.

The studies on cross-culture management under the topic of conflict have suggested that the mismatch of preference to different conflict management styles creates more fraction and difference between the parties resulting to worsening conflict situation (Bhatnagar et al. 1998; Gatlin, Kepner & Wysocki 2002; Erkus, Ma & Tabak 2010). In many cases, the

conflict management style itself develops to be conflict, as the parties conflict management style is different generating friction and more difference between them. Guidelines and instructions of Kilmann's and Kraybill's instruments suggest that it is prerequisite that the conflicting parties need to first concentrate into same conflict management style if they are willing to resolve the conflict. The case of inconsistency of conflict management style can have a negative outcome to the perceived level of conflict. The articles referred above have strong details that the difference in preference between parties brings out misunderstanding, frustration resulting to the clash in team, tense environment, decrease productivity, increase absenteeism and in worse case organization can experience professionals leaving the company.

The suitability of conflict management style with a situation is closely related to the perceived level of conflict acting as the factor of conflict if unmatched between the parties. We can develop hypothesis 1 that the difference in conflict management style between members is positively correlated to the perceived level of conflict.

Hypothesis 1a: *The difference in conflict management style between managers is positively related to the perceived level of conflict between them.*
(manager-manager)

Hypothesis 1b: *The difference in conflict management style between employees is positively related to the perceived level of conflict between them.*
(employees-employees)

Hypothesis 1c: *The difference in conflict management style between employees and managers is positively related to the perceived level of conflict between them.*
(managers-employees)

3.2 Communication and conflict

It is a common fact that person's communicating styles differs and the difference can have positive or negative outcomes. A person should be aware of the total range of communication, including language, nonverbal communication, customs, perceived values, and concepts of time and space for effective, efficient, meaningful and prospective communication. Every person has their own space (language), and they are unique and different from one another (Hall 1976: 52-53). The quality of communication differs with the preference of style such as a symbolic expression (gesture), facial and verbal tone, use of words, eye contact and time value. Hall's (1990: 1976) stated that communication is part of culture and differs in use and selection of style with person. The greater the cultural distance, the complex the communication (interface) becomes. This turns to be a potential area of arising conflict. There are various factors that back up the reason to how people behave. Usually people define communication as part of culture and conclude that communication has an effect with conflict. With style, the level of communication differs, such as collectivist society people speaks and communicates more and socializes themselves with more of the communities, association and are more straightforward. In contrast, there is more control and people develop different boundaries within themselves in an individualistic society. There is a different medium of communication, and they fulfill a certain requirement of level of communication. Such as an example of collectivist people, they are using symbol and expression (gestures) that add the level of communication what seems to be missing in individualist people. By level of communication, this research sums up of quality and quantity of communication.

There are many researches of Hall (1976 & 1990) those explain the conflict situation arising when two people belonging to a different culture or society communicate. There are many researches, which adopts the thoughts that even within a national culture person differs, and that can be the reasons why there is family culture, organizational culture or some community culture. As the same way within a national boundary of Nepal, the

population is vastly divided into social groups as casts and sub-casts, religions, social status, regional beliefs and differences as explained in the cultural aspect of Nepal.

When considering the communication within the organization, there is much research conducted to identify the communication style and their appropriateness in an organization. It is an indisputable fact that managers and supervisors who are autocratic in nature wishes one way communication flowing from up to down as a rule of command, whereas opposed to it is democratic where the managers and employees understand the value of communication and support the implementation of two way communication. In this way, it can be seen that the level of communication differs with the style of management.

Communication has its own significance in harmony or conflict generating policy. Communication stylistic differences often distort the communication process. Faulty communication leads to misperceptions and misunderstandings that can lead to long-standing conflict. Communication barriers can be a result of cross-gender and cross-cultural differences, and those may affect the ways parties express and interpret the communication (Encyclopedia of Business). The parties involved being in the false impressions as explained above will result in misunderstandings, subsequently lead to percipiense of conflict. The perception to an existence of misunderstood behavior, conflict without existing can appear as conflict known as, "pseudo-conflict".

Hocker and Wilmot (2001) explain that communication is the key element in all interpersonal conflict, and that communication often creates conflict as well as reflects it. Communication is also the vehicle for constructive or destructive management of conflict. Since the communication is closely related to the conflict and acts as the factor of conflict, it can be hypothesized that the level of communication between members of an organization (managers and employees) can accelerate the perceived level of conflict, developing the association of negatively correlated to each other.

- Hypothesis 2a: *The level of communication between managers is negatively related (manager-manager) to the perceived level of conflict between them.*
- Hypothesis 2b: *The level of communication between employees is negatively related (employees-employees) to the perceived level of conflict between them.*
- Hypothesis 2c: *The level of communication between employees and managers is (managers-employees) negatively related to the perceived level of conflict between them*

3.3 Trust and conflict

Since as early as 1950's, scholars noticed the importance of trust as a prerequisite for managerial and organizational effectiveness and found that interpersonal trust had positive effects on individual, group, and organizational outcomes, such as individual performance, job satisfaction, organizational citizenship, problem solving, and cooperation (Hartman, Thomas & Zolin 2009: 287-288). With the time span, trust has been a significant issue for organizations in building social capital, increasing employee engagement and improving knowledge-sharing among employees.

There are many definitions of trust, but most probably the clearest and combining definition is proposed by Boon and Holmes (in Bunker & Lewicki 1996: 117). According to them, trust is "a state involving confident positive expectations about another's motives with respect to oneself in situations entailing risk". If a trust exists in an organization, it promotes cooperation. This phenomenon is better seen to be experienced in large organizations than that of smaller ones. Trust means parties share the primary goals in the long run so that one party behaves in the way that does not harm the other. Kohtamäki presents trust through seven believes predictability, prowess, integrity, honesty, benevolence, deterrent and reciprocity. These value are lower believes for a trust that is

defined like a belief itself (Saari 2008). Saari (2008) explained on her work that higher trust between people results in greater cooperation. According to Adler (2001) trust can dramatically reduce transaction costs by replacing contracts with handshakes, as well as agency risk by replacing the fear of shirking and misinterpretation with confidence. As knowledge takes an implicit form, trust is an essential precondition for effective knowledge transfer.

Mutual trust opens the possibility to increase a value in relationship. Relationship between coworkers, employees and managers, or different department or sub business units will intensify due to parties understanding, empathy, respect and interest combined with personal thoughts, feelings and will. Trust is directly proportional to the strength of the relationship. Since a relation depends upon understanding, respect, interest and communication, it has a relationship to trust. (Saari 2008.)

The relationship between conflict and trust is an obvious one link shown by in several researches (Curseu & Schruijer 2007; Greer et al 2007). Trust is a variable that has a strong influence for interpersonal and group behavior (Golembiewski & McConkie 1975: 131). Most people think of trust as the “glue” that holds a relationship together. If individuals or groups trust each other, they can work through conflict relatively easily. If they do not trust each other, conflict often becomes destructive, and resolution is more difficult. Bitter conflict itself generates animosity and pain that are not easily forgotten; moreover, the parties no longer believe what the other says, nor believe that the other will follow through on commitments and proposed actions. Therefore, bitter conflict ultimately serves to destroy trust and increase distrust, which makes conflict resolution ever more difficult and complicated (Bunker & Lewicki 2006: 92; Panteli & Sockalingam 2002).

Researchers have found that conflict within an organization can reduce trust. Trust promotes integrative negotiation where participants develop mutually beneficial solutions (Jehn & Mannix 2001; Behfar & Peterson 2003; Peterson & Simons 2000). Deutsch in his

different articles and being cited to different authors has recommended that in developing cooperative and strong relationships, trust has a key role to play in it. The way how members approach conflict is based on their level of trust. (Hempel, Tjosvold & Zhang 2008.) Previous research has established that in close relationships those have high levels of trust, individuals are more likely to avoid conflict or make sure that they do not even arise (Zaheer et al 1998). Further, according to the general definitions of trust (Mayer et al 1995), the predictability inherent in high levels of interpersonal trust is likely to be linked with low levels of conflict in which unpredictability plays a crucial role.

Conflicts appear to be opportunities to develop or undermine trust (Tjosvold, 2006). Conflicts expose interpersonal task difficulties and can enhance the motivation. Conflict can be the means by which these difficulties are considered and dealt. Studies suggest that managing conflicts even about relational issues can strengthen relationship bonds (Tjosvold, 1990). Studies also suggest that open conflicts, such as voicing minority views and heterogeneity of perspectives, improve problem solving (Nemeth & Peterson 1996). The skilled analysis of conflicts can stimulate creative, motivated actions that accomplish common tasks as well as strengthens interpersonal relationships and teamwork (Tjosvold, 2006).

As the causality (cause and effect) relationship between level of trust and perceive the level of conflict, there is much research work done to address both direction movements. As discussed above is what we talked of impact on the level of trust caused by perceived level of conflict. This research looks on to other directions where the cause would be level of trust and effect as perceived level of conflict. As explained above there is an opposite relation to conflict and trust, when conflict is high or identified, trust issue is injected to solve the problem. More of the literature of negotiation research paper has suggested that the level of trust goes slowly rise with time and the relationship that cannot build with time gets stopped. In those literatures, negotiation takes a long time to finalize the decision and in many cases, the result is negative. It is because of trust, when there is less or no trust

people tend to use caution to safeguard their interest. Hartman, Thomas and Zolin (2009) expressed that when trust is high, productivity and the outcome is high, high cooperation and mutual harmony are commonly observed result. What is understood through social capital theory is that trust is part of voluntary acceptance relationship between two parties, where parties perceive that they are treated fairly and will be provided an opportunity for growth. Necessary guideline and resource are provided and above all will not take advantage in time of new opportunity rising. If they distrust, they are more likely to avoid interaction, cover their fault, question of counter parties direction and preposition and even look forward to ending up connection. (Hartman, Thomas and Zolin; 2009: 290.)

Having up mutual harmony and the corporation is not what mark less/no dissatisfaction. According to definition of conflict no dissatisfaction is no-conflict. In short, rise in level of trust promotes decrease in dissatisfaction and decrease in the level of conflict. Since the trust is closely related to the conflict and acts as factors of conflict, it can be hypothesized that the levels of trust between members (managers and employees) have negatively correlated with the perceived level of conflict.

Hypothesis 3a: *The level of trust between managers is negatively related to the perceived level of conflict between them.*
(manager-manager)

Hypothesis 3b: *The level of trust between employees is negatively related to the perceived level of conflict between them.*
(employees-employees)

Hypothesis 3c: *The level of trust between employees and managers is negatively related to the perceived level of conflict between them.*
(managers-employees)

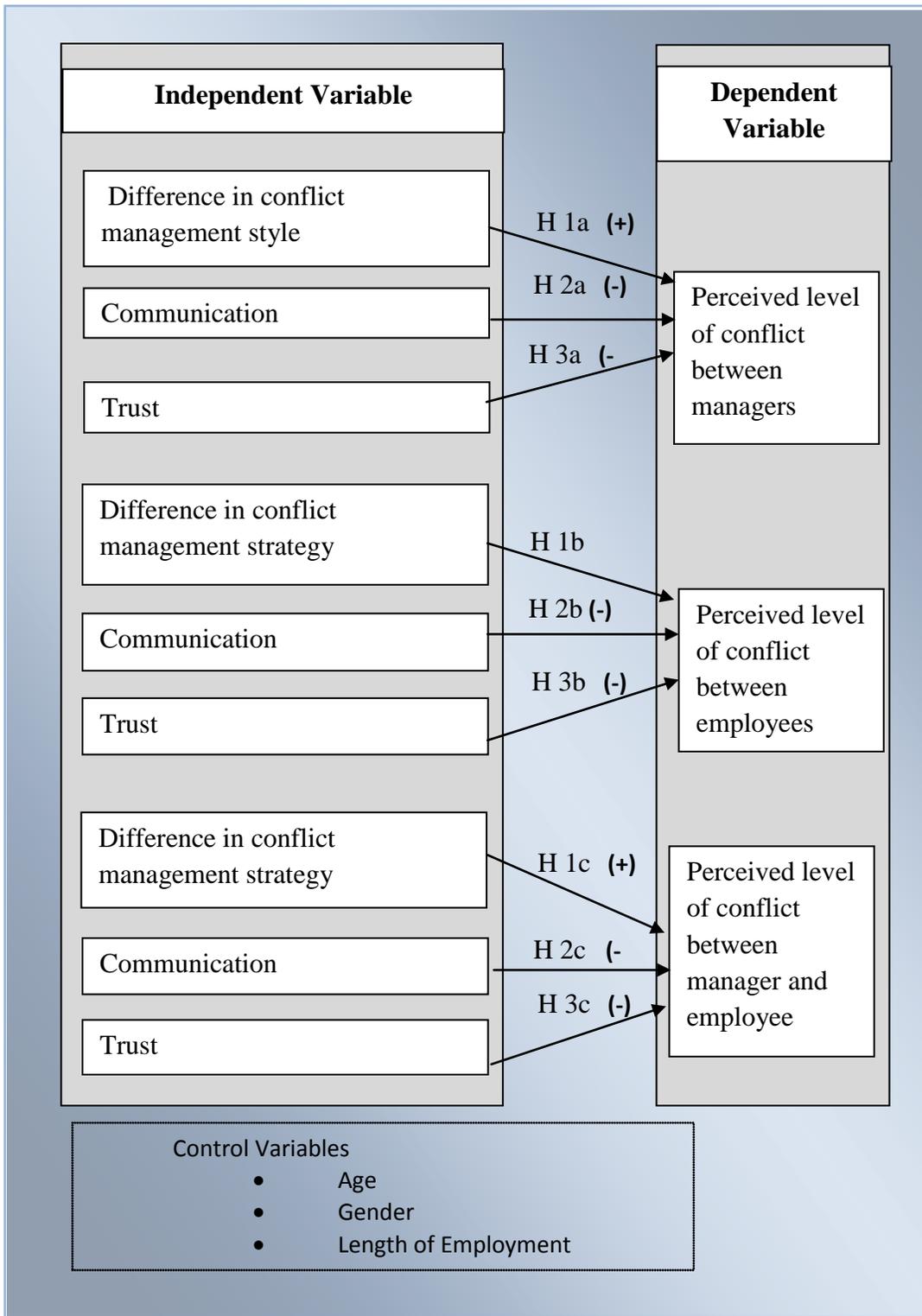


Figure 4. Hypothesized model of factors influencing the perceived level of conflict

4. RESEARCH METHODOLOGY

Research methodology is a way to find out a solution on any problem on a scientific base (Khanzode 2004: 7). It is vital to choose right and appropriate research approach and research methodology for one's own research, in order to answer the research problem. In this section, methodology and approach used for collecting data is discussed.

4.1 Research approach

There are two major research design approaches in a business field. Those are scientific and ethnographic approaches. Scientific approach uses questions like what and how much and it tries to achieve its goal by a survey, experiment or databases. It uses measurement usually from numbers. Ethnographic approach, on the other hand, answers questions as why and how by predominantly using words as a data type. It tries to find meanings through direct observations, interviews and participant observations. (Blackmon & Maylor 2005: 140.)

For these terms, two logics are underlying within them. Usually it is seen that a scientific approach is closely related to a deduction, because usually in deductive research the literature will lead the researcher to a question or hypothesis. Ethnographic approach, on the other hand, is closely related to induction, which means that as the purpose is to develop concept and conceptual framework from a data, data will lead a researcher to these developments. (Blackmon & Maylor 2005: 150.) What can be understood about these two terms is, inductive logic tries to develop general theories through observations as opposite to the deductive logic tries to derive new logical truth from already existing facts. This study falls under the category of scientific deductive approach. Research focuses on looking out for hypothesis testing and generalizing the results found from the survey. It will not produce a new theory, but checks the developed hypotheses.

4.2 The choice of quantitative research

Usually researches are dealt into two groups based on what is the methodology. These methodologies are quantitative and qualitative, both having their advantages and limitations. Although these two types of methodologies are often seen as their opposites, they can be used simultaneously for a better research. As a matter of fact, many researchers can't say, into which one they belong, quantitative or qualitative research tradition. (King, Keohane & Verba 1994: 5-7; Lewis, Saunders & Thornhill 2009: 109.) In this research, quantitative methodology has been used as primary mode of data analysis but simultaneously qualitative method is used for further testing and checking reliability of result got from quantitative method.

The simplest way to contradict these two methods is to say that quantitative methodology focuses attention on measurements and amounts, as qualitative methods involve a researcher describing kind of characteristics of people and events without comparing them in terms of measurements or amounts. (Thomas 2003: 1.) So the issue is therefore in amounts and calculation.

Quantitative method creates an impression that the world is made up of observable and measurable facts (Glesne & Peshkin 1992: 8-9). It uses experimental methods and quantitative measures to test hypothetical generalizations for large sample size. This method is a systematic research method with a structured approach. It has a little flexibility and high capacity to replicate the results. The purpose of a quantitative approach is to measure and describe the phenomenon by statistical analysis of the collected data. It is a technique commonly used, when a goal of the researcher is to provide answers to questions like how much, how many and how often. (Lewis, Saunders & Thornhill 2009: 482-483.) Quantitative research uses numbers and statistical methods to achieve the goal. It tends to be based on numerical measurements of specific aspects of phenomena. Additional to this, it abstracts from particular instances to seek general description or to test causal

hypotheses. A good point of quantitative research is that it is easily replicable by other researchers. (King, Keohane & Verba 1994: 3-4.) Qualitative research in other hand is concerned with subjective assessment of attitudes, opinions and behavior (Kothari; 2009: 5). This research aims to discover the underlying motives and desires of issues, using depth interviews for the purpose. Qualitative research is especially important in the behavioral sciences where the aim is to discover the underlying motives of human behavior. Through such research, a researcher can analyze the various factors which motivate people to behave in a manner or which makes people want and dislike a certain thing (Kothari; 2009: 3). According to Lewis, Saunders and Thornhill (2009), the qualitative approach, on the other hand, uses a naturalistic approach that seeks to understand phenomena in context-specific settings, and it provides answers to questions like what, why and how. It aims at deepening insight to the research subject. It also refers to several methods of data collection and represents higher flexibility than quantitative research. This flexibility allows the researcher to pursue new areas of interest. (Lewis, Saunders & Thornhill 2009: 482.)

As discussed above, this research adopts the quantitative method. This research is more viable to study like this, and also there are many research studies done under the topics of conflict, communication and trust in quantitative method. The structured questionnaires adopted by different researchers, who have used social capital theory, have used also quantitative method. They have used 7 likert scale measure to make it easy for the respondent to answer in the range of scales. Thus, this study also is based on the quantitative research method for data collection. With the purpose to avoid political (debatable) responses and data complexity from expected respondent, qualitative method was not seen viable to conduct for this research. The research uses a survey method, as literature supports that quantitative research method is better choice for this kind of research. By implementing the method, it would make the analysis easier. There was an expectation that information could be collected in a higher proportion compared to the total number of sample, so qualitative research method was easy and more feasible for this research.

Further after review, interview (qualitative research method) was conducted with two managers and five employees among respondents, to highlight the nature of a result and check the reliability of responses obtained from data analysis from survey responses. The interviews were informal and conducted through telephone, which lasted around 20 minutes in average with each interviewee.

4.3 Data Collection

There are many ways to collect the data for a research such as interviews, surveys, direct observations, participant-observations, documentation and physical artifacts. This research is based on a survey method. Survey is typically used when a researcher wants to use large number of data and has limited time for collecting it. Surveys are useful especially for capturing facts, opinions, behavior or attitudes. A survey can also take many different forms like structured interviews or observations as well as questionnaires. (Blackmon & Maylor 2005: 182-183.) In this research, the method used for a data collection is questionnaire.

Because of the number of desired feedback, reaching out to every prospect respondent would be difficult due to budget and time constraints. Therefore, in this study, a questionnaire survey was selected as the first empirical data collection method. According to Lewis, Saunders and Thornhill (2009), it is worth noting that there are different types of survey methods that should be taken into account when implementing this method (Figure 5).

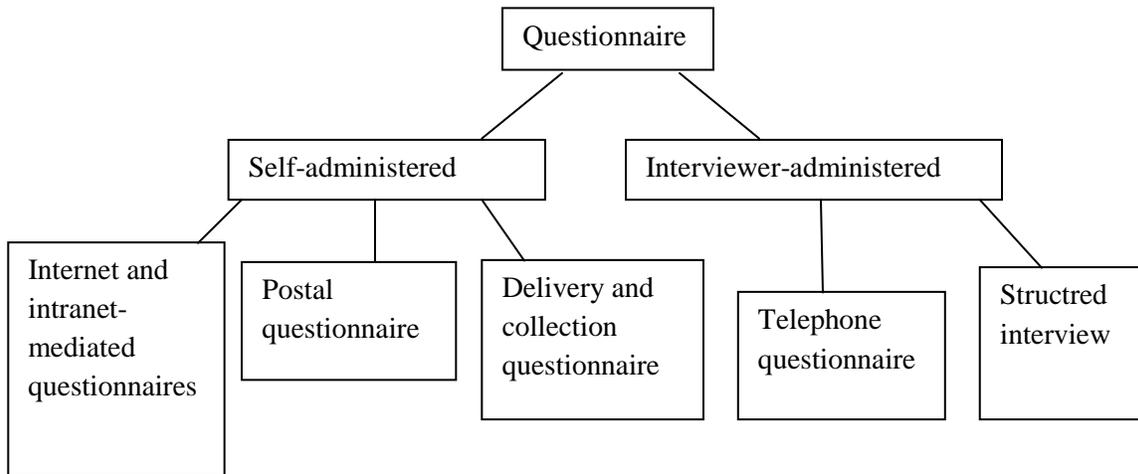


Figure 5. Types of questionnaires (Lewis, Saunders & Thornhill 2009: 363)

In self-administered questionnaires the respondents interact with the researcher only through a structured and standardized list of questions and answers in contrast to interviewer-administered questionnaires (Blackmon & Maylor 2005: 185). Self-administered questionnaires are usually administered electronically using the Internet, posted to respondents who return them by post after completion or delivered by hand to each respondent and collected later. Interviewer-administered questionnaires are recorded by the interviewer based on each respondent answer. (Lewis, Saunders & Thornhill 2009: 363.) In this research, a self-administered questionnaire has been used. The questionnaire was distributed to respondents through company representative. The questions were supplied in the paper as well as an online option, giving the respondents an option to choose what best for them. The paper responses were put into Excel and send through email attachment by company representatives.

The target groups were the employees and managers working in Commercial bank of Nepal. According to the report published by Nepal Rastra bank July 2009, there are more than 16,148 staffs working in Commercial bank in Nepal. Considering the affordability, research sample is narrowed down to the number of population from Bank of Kathmandu,

Machhapuchere Bank, Nepal Investment Bank Ltd, Nepal Bank Ltd and Agricultural Development Bank (commercial sector). For further reasonability of research accessibility a branch from each bank was considered and the sample size was reduced to 150 (each branch of the bank had around 25-30 employees). Survey questionnaire was made available to participants through the mail and online. The choices for the mode of responses were left to participants. The data were collected from 112 participants. Of which only 105 responses were taken in consideration as seven responses were not complete or left unanswered. Considering each bank had 30 personnel working, the total percentage of a respondent from the population was 70 % $[(105/150) * 100]$. Of which there was a variance in the volume of responses collected from each of the banks.

Of data collected, there were 49 managers (46,7%) and 56 employees (53,3%) responding. Among them, 65 were male participants (61,9%) and 40 female participants (38,1%). There were 51 participants (48,6%) who were employed in the company for only five years, 20 participants (19%) for over 5 to 10 years, 7 participants (6,7%) for over 10 to 15 years and 27 participants (25,7%) for over 15 years. Based on age of participants, there were 7 participants (6,7%) whose age is below 20 years, 52 participants (49,5%) between the age of 21-30, 35 participants (33,3%) between the age of 31 – 40 and 11 participants (10,5%) over 40 years.

The basic idea of sampling is that by selecting some of the elements in a population, a researcher may draw a conclusion about the entire population. There are several compelling reasons for sampling including lower cost, greater accuracy of the result, greater speed of data collection and availability of population selection (Cooper and Schindler 2003; Saunders, Brown and Berman 2007: 25). Selection of the sampling method to use in a study depends on a number of related theoretical and practical issues. These include considering the nature of the study, the objectives of the study and the time and resources available. Traditional sampling method can be divided into two categories: probability and non-probability sampling (Samouel et. al. 2003; Saunders, Brown and Berman 2007: p25).

Probability sampling is most commonly associated with a survey based research where a researcher needs to make inferences from the sample about a population to answer the research question or to meet research objectives (Saunders et. al., 2003; Saunders, Brown and Berman 2007: p26). In probability sampling, sampling elements are selected randomly and the probability of being selected is determined ahead of time by the researcher. If done properly, probability sampling ensures that the sample is representative. (Hair et. al., 2003.)

Non-probability sampling provides a range of alternative techniques based on researcher subjective judgment (Saunders et. al. 2003; Saunders, Brown and Berman 2007: 26). In non- probability sampling, the selection of elements for the sample is not necessarily made with the intention of being statistically representative of the population. Rather the researcher uses the intuitive methods such as a personal experience, convenience, expert judgment and so on to select the elements in the sample. As a result, the probability of any element of the population being chosen is not known. (Samouel et. al, 2003.)

This research uses a questionnaire survey method to collect data and the respondents are selected using probability sampling technique. The representative from each bank was given rights to distribute the questionnaire to all the accessible workers. The answers from those volunteered respondents were collected. Thus as research, the sample was not pre-determined but was made available to the whole population. There was no force or additional motivation provided to respondent to answer the questionnaire. It was wholly left for convenience of respondent to whether or not return the survey questionnaire. This makes this survey that the sample was selected through probability sampling techniques.

4.4 Measures

Since the target was to get the response data from managers and employees, questions were made available in two sets. In the questionnaire, it was clearly instructed that only “Set 1” questions were relevant for managers to answer and “Set 2” for employees. Each set had 14 questions, and each question had two sub questions in it. In a subset for both managers and employees, the attitudes or answers were asked as towards other manager/employee or towards employees/manager. All the questions except “q 13” had 7-Likert scale range for the answers. In these scales “1” represented always and “7” represented never.

4.4.1 Dependent Variable

The three first questions were related to describing the perceived level of conflict (dependent variable) that the participants are experiencing in work life. The first question was about the perceived level of dissatisfaction the participant had experienced in a task related issues. Second question was about the perceived level of dissatisfaction they had experienced in a non-task related issues. Third question was about the perceived level of dissatisfaction they had experienced in general at work. The responses collected from those questions were summed up together and then the average was taken out to find out the perceived level of conflict between groups as Barki & Hartwick (2002) model.

The manager’s responses to those questions gave the answer to the perceived level of conflict that s/he had experienced with other managers and employees. Same way the employees responses gave the answer to the perceived level of conflict that s/he has experience with the manager and other employees. The Cronbach’s Alpha for the measure of perceived level of conflict is 0, 617 for managers and 0, 702 for employees and 0, 682 for the manager and employees.

4.4.2 Independent variables

Trust

As Tai & Ghoshal (1998) and McAllister (1995: 37), the questions related to relational capital (a part of dimension of social capital) were used to calculate the trust level of respondents. “How comfortable and free respondents feel in sharing their ideas, feelings and hopes related to work in relationship with different subgroups”, “how confident do they feel that s/he won’t be taken advantage by his colleague (manager/ employee) in case an opportunity arise” and “how often have they experienced promises being kept by fellow colleagues” were three questions used to calculate the level of trust the respondent had with their colleagues. The data got from these questions were summed up together and then average was taken to come up with the level of trust the respondent had with their corresponding colleagues.

The Cronbach’s Alpha for the measure of level of trust is 0, 736 for managers and 0, 722 for employees and 0, 712 for the manager and employees.

Communication

Again as Tai & Ghoshal (1998), the questions related to structural capital (a part of dimension of social capital) were used to calculate the communication level of respondents. There were four questions; how often the participants have “face-to-face communication”, “email”, “telephone and video conference meeting” and “participation in committee/ project teams” with their colleague. The data collected from those questions were summed up together and then average was taken out to calculate the level of communication that respondents have with their corresponding colleagues.

The Cronbach’s Alpha for the measure of level of communication is 0, 844 for managers and 0, 671 for employees and 0, 835 for the manager and employees.

Difference in conflict management style between respondent and other

There is one question related to conflict management style. The question had five selection statements representing different conflict management styles. Originally, the idea was to get respondents to answer one as of their most often used style, least used style and not at all used style. When the data was collected, it was seen that respondents had either ticked the option in all five statements. Thus, original idea was slightly modified, where the most often used style was considered as “1” and least/ not at all used style was considered as “0”. Since all the five styles were used each respondent had five data, this data then was put into the formula as presented below to get new value of difference in conflict management for each style.

In order to calculate the new value “difference in conflict management”, there was a need to calculate the total value of responses got by each style from all respondents. As such, considering that 42 respondents were 1 and 63 were 0 for avoidance conflict management style, and then the total value of that style equal was 42. Same way, assume the total value of style (number of points got in style) as 32 in competition, 40 in collaborating, 18 in compromise and 12 in accommodation. Thus,

[{Number of points got in the style / (total number of responses – 1)} - the responses of the respondent]

Example; if the respondent (manager) had respondent as 1 for avoidance, 0 for competition, 1 for collaborating, 0 for compromise and 0 for accommodation. Then new value would be “difference in their style with other” as

Avoidance	= [$\{42/(49-1)\} - 1]$	= -0,125
Competition	= [$\{32/(49-1)\} - 0]$	= 0,667
Collaborating	= [$\{20/(49-1)\} - 1]$	= -0,583
Compromise	= [$\{18/(49-1)\} - 0]$	= 0,375
Accommodation	= [$\{12/(49-1)\} - 0]$	= 0,25

Then those new values were added together to calculate “Difference in the conflict management style between respondent and others”. As of example above, it is -584.

This way the new value of difference in conflict management for each style was calculated. The values got from them were summed up together and divided by 5. This way the difference for conflict management style between responded was calculated. The responses from managers were considered same for other manager and employees and the responses from employees was considered same for the manager and other employees.

4.4.3 Control variables

There were three control variable used in this research. The “age of the respondent” was categorized into four groups; below 20 years, between 20-30 years, 31 – 40 years and above 40 years. For the calculation, the categories were represented by numerical figure; 1, 2, 3 and 4 respectively. The “gender” was next control variables used, where there were male and female as categories. The male represented “1” and female represented by “2”, for calculation in SPSS. The third control variable used in this research was “length of the employment of a respondent in that organization”. The responses were categorized into four groups; 1-5 years, 6-10 years, 11-15 years and over 15 years represented by 1, 2, 3 and 4 respectively for calculation in SPSS.

4.5 Data Analysis

Data analysis can be done through examining, categorizing, tabulating or otherwise recombining the evidence in order to address the initial hypothesis of the study (Yin 1994: 102). Recently, the task of analysis for research has been made easier using software those that are available in the market. This software makes statistical analysis easier. Displaying the result through figures and table is easier and efficient. Especially, there are number of software those are used to compute and analyze the quantitative data. Additional to its

easiness, it is also logical that researcher analyses the questionnaire data using the computer if there has been 30 or more respondents (Lewis, Saunders & Thornhill 2009: 365).

For the purpose of data analysis for this research, SPSS software tools were used. The statistical measuring tools that were used in this research can be divided into three parts;

1. Descriptive statistical tools, such as mean, variance, range, frequency, Cronbach's Alpha (reliability test) etc
2. Correlation analysis through Pearson's correlation and
3. Regression analysis through linear regression analysis.

The above mentioned statistical tools would be further discussed later in an analysis section, therefore it would be better moving forward at this point.

Besides the quantitative analysis through statistical tools, the results were also followed up by seven qualitative interviews as explained earlier.

4.6 Reliability and validity

There are two terms that have to do with a scientific research. Those are reliability and validity. Reliability refers to the repeatability of a research, meaning that the same research can be done later by other researchers also and possibly reaches into a same result. This means, that research findings are only reliable if the world itself is uniform. Validity, on the other hand, refers to the how accurately the research is conducted. (Blackmon & Maylor 2005: 158-159; Yin 1994: 37.) Reliability concerns the extent to which an experiment, test, or any measuring procedure yields the same results on repeated trails. The amount of error may be large or low, but it is universally present, to some extent, in all research because the set of measurement of the same features of the same individual will never have exactly duplicated results, but they tend to be consistent with measurement to measurement. The

likelihood of consistent found in repeated measuring of the same phenomenon is referred to as reliability. (Edward & Zeller 1999: 11-12.)

Yin (1994) has suggested that rather than dealing only with reliability and validity, there are four tests that have been commonly used to establish the quality of any empirical research, mainly in the case studies. It also includes reliability, but it has dealt validity into three different ways – construct validity, internal validity and external validity. Construct validity (the degree to which an instrument measures the characteristic being investigated; the extent to which the conceptual definitions match the operational definitions) is to develop a sufficient operational set of measures. Internal validity (the extent to which the effects detected in a study are truly caused by the treatment or exposure in the study sample, rather than being due to other biasing effects of extraneous variables) on the other hand, is a concern only in causal case studies, where an researcher tries to determine whether an event x led to event y . Finally in external validity (the extent to which study findings can be generalized beyond the sample used in the study), the problems of knowing whether a study's findings can be generalized beyond the immediate case study are considered. (Yin 1994: 33-38.) For further understanding on the above listed reliability, it would be nice for reader to refer Yin (1994) book "Case Study Research: Design and Methods". As part of reliability and validity measures, this research has taken a certain measures; The data collected is from primary source, directly from respondents. Their personal identity was not asked. Therefore, it is expected that respondents have answered reliably. The approved model and standard questionnaire were used and considered when developing survey questionnaire. Such as structural capital and relational capital theory's questionnaire were call to determine level of communication and trust. Barki and Hartwick model were use to derive the questionnaires for calculating perceived level of conflict. Statistical software, SPSS was used and relevant analysis tools Cronbach's Alpha were used to check the reliability and also measure data as popularly used by other relevant research papers. Different caution was taken to build a strong questionnaire such as care of not using a word `conflict' in the question rather replacing it by dissatisfaction, making the

question simple, clear instruction about how to complete the questionnaire and no personnel identity were asked to make respondent easily understand and complete the survey without difficulties. The respondent from sample size covered almost 70% of total population. Where the total population size was 150 and total number of responses collected was 102. The 7-likert scale was given so, that they had easy in stating the amount of their dissatisfaction. The responses were collected from one of the representatives inside the bank to encourage higher rate of responses. Further after analysis, the result was discussed with two managers and five employees, (who were assessable) to increase the reliability of the result of the research paper.

Thus, it can be expected that high amount of reliability and validity measures was taken, but it cannot be forgotten that the existence of error is a universal truth as Edward and Zeller stated. Unless there is the error in responses of respondent, it can be expected that the higher measure was been taken to make the paper's reliable and valid.

4.7 COMMERCIAL BANK IN NEPAL

4.7.1 Economy of Nepal

Nepal is among the least developed countries in the world ranked by the world statistics with almost one-quarter of its population living below the poverty line. Nepal's GDP as listed in 2009 was \$33.66 billion, with the growth rate of 4.7%. Income per capita was \$1,200 as listed in 2009.

The GDP composes of sectors as agriculture 35%, industry 16% and services 49% also measured in fiscal year 2009. The labor force of the population is 18 million and unemployment rate as 46% (2008). The inflation rate for consumer prices was 13.2%,

accordance to September 2009 and discount rate announced by the Central bank was 6.5% at the end of December 2009. (CIA 2011)

4.7.2 History and status of Commercial Bank in Nepal

The history of the Nepalese banking system started in the late 1930's with the establishment of first Nepalese commercial bank as Nepal Bank Limited (NBL) in 1937. Then only after two decades, Nepal Rastra Bank (NRB) was established in 1956 as the central bank under the Act of 1955. A decade after the establishment of NRB, Rastriya Banijya Bank (RBB), a commercial bank under the ownership of His Majesty's Government of Nepal (HMG/N) was established. Thereafter, HMG/N adopted open and liberalized policies in the mid 1980s reflected by the structural adjustment process, which included privatization, tariff adjustments, liberalization of industrial licensing, easing of terms of foreign investment and more liberal trade and foreign exchange regime were initiated. (Bank Supervision Report 2008; 3.) These policies opened the doors for foreigners to enter a banking sector under a joint venture. Consequently, the third commercial bank in Nepal, or the first foreign joint venture bank, was set up as Nepal Arab Bank Ltd (presently called as NABIL Bank Ltd) in 1984. Thereafter, two foreign joint venture banks, Nepal Indosuez Bank Ltd. (now called as Nepal Investment Bank) and Nepal Grindlays Bank Ltd (now called as Standard Chartered Bank Nepal Ltd.) was established in 1986 and 1987 respectively. Thereafter, another 12 commercial banks have been established within the period of 12 years. (see; Bank Supervision Report 2008, 2009.)

With the adoption of liberalization policy, there has been a rapid development of the domestic financial system both in terms of the number of financial institutions and as the ratio of financial assets to the GDP. By July 2009, the number of commercial banks had reached 26 and total of 242 finance companies and other Development Banks, as well as several credit cooperatives have been established. In Table 3, is presented a list of Commercial Banks in Nepal, when it was established and number of branches it has.

Table 3. List of Commercial Banks in Nepal

Source; Bank Supervision Report 2009 (Mid- July, 2009, No. 53) (7-8)

SN.	NAME	OPERATION DATE	NO. OF BRANCH
1	Nepal Bank Ltd	1937	100
2	Rastriya Banijya Bank	1996	123
3	Nabil Bank Ltd.	1984	32
4	Nepal Investment Bank Ltd.	1986	31
5	Standard Chartered Bank Nepal	1987	13
6	Himalayan Bank Ltd	1991	23
7	Nepal SBI Bank Ltd	1993	33
8	Nepal Bangladesh Bank	1994	17
9	Everest Bank Ltd	1994	30
10	Bank of Kathmandu	1995	30
11	Nepal Credit & Commerce Bank	1996	17
12	Lumbini Bank Ltd.	1998	5
13	Nepal Industrial & Commercial Bank	1998	21
14	Machhapuchere Bank	2000	31
15	Kumari Bank Ltd	2001	15
16	Laxmi Bank Ltd.	2002	19
17	Siddhartha Bank	2002	10
18	Agriculture Development Bank Ltd.	2006	86
19	Global Bank Ltd.	2006	16
20	Citizen Bank International Ltd.	2007	10
21	Prime Commercial Bank Ltd.	2007	8
22	Sunrise Bank Ltd.	2007	21
23	Bank of Asia Nepal Ltd.	2007	21
24	DCBL Bank Ltd.	2008	5
25	NMB Bank Ltd.	2008	9
26	Kist Bank Ltd.	2009	26
Total			752

The banks and financial institutions licensed by NRB are classified as A, B, C and D class institutions. Commercial banks are “A” class institution.

4.7.3 Employment in the Banking Industry

As on mid July 2009, the total number of employees in the banking industry was 16, 148. The three public sector banks, NBL, ADB and RBB generate the majority of the employment. At the end of fiscal year 2008/2009, the number of employees in the three public sector banks was 8, 656 whereas the private sector banks had 7, 492, which as on mid July 2008 were 9 278 and 5 701 respectively.

The growth in the number of staff in the private sector bank is due to the massive increment in their branches. Since, private commercial bank is better in technology and has advanced system to facilitate and operate the business automatically; the number of staff employed is somewhat smaller to that of in the public sector.

5. RESULT AND FINDING

This section is divided into three parts; descriptive analysis, correlation analysis and regression analysis. Finally, the hypothesis testing would be done in the last part of this section based on regression analysis.

5.1 Descriptive Analysis

Before proceeding further, it is better to lay down some notation that would be used in further description in following paragraphs. Notation 1: The mean is total of responses divided by the number of responses and Notation 2: Average is “4” in the case of 7 Likert scale where 1 was to indicate always and the 7 as never. Thus in case of perceived level of conflict, communication and trust, the 1 represented high and 7 represented least.

As from the Table 4 presented below, it can be seen that the mean of the entire field is slightly higher or lower. The total number of response was 49. As manager’s responses, the manager has the mean of perceived level of conflict (4.5442) with other managers bit over average (4), indicating that there is a perceived level of conflict. However, it cannot be ignored the variance in response was 0,813 and the range was 3,33, it explains that there were respondents who perceive the level of conflict between them as high as 2,67 and others as low as 6. In the same way, manager responded that their perceived level of conflict with the employee is 4, 6463 (mean), that is higher than average. Here, also they had higher variance and responses range was also high. Compare the means result, it was observed that managers perceive higher level of conflict with other managers compare to employee.

Table 4. Descriptive statistic results from responses of manger

	N	Range	Minimum	Maximum	Mean	Std. Deviation	Variance
Perceived level of conflict between manager and other managers	49	3,33	2,67	6,00	4,5442	,90189	,813
Level of trust between manager and other managers	49	4,00	1,33	5,33	3,3673	1,07420	1,154
Level of communication between manager and other managers	49	5,50	1,00	6,50	3,4184	1,24309	1,545
Disagreement in handling conflict between manager and other managers	49	4	2	6	3,86	1,137	1,292
Difference in conflict management style between Manger and other manager	49	,80	-,33	,47	,0227	,18537	,034
Perceived level of conflict between manager and employee	49	3,33	3,00	6,33	4,6463	,94381	,891
Level of trust between manager and employee	49	4,33	1,33	5,67	3,4218	1,02011	1,041
Level of communication between manager and employee	49	5,50	1,00	6,50	3,4694	1,37086	1,879
Disagreement in handling conflict between manager and employee	49	4	2	6	4,16	1,007	1,014
Difference in conflict management style between manager and employee	49	,80	-,33	,47	,0227	,18537	,034

Following the Table 4 manager's response towards other managers, their experience to level of dissatisfaction in relation to trust (mean = 3, 3673) was bit lower to the average, enlighten the fact that they are less dissatisfied with the trust issues. However, the variance in response is 1,154 and range of data in 4, where there are responses that indicate that they have issues related to dissatisfaction in level of trust as high as 1, 33 and as less as 5, 33. Same goes with the response towards employees (mean = 3, 4218) but the variance is smaller (1, 041) even though the range between the responses is high (4, 33) and responses

to dissatisfaction level of trust is as less as 5, 67. Comparatively, data suggest that managers perceive the lower dissatisfaction level of trust with other managers than employee.

As per the communication issue, manager's response towards other managers, their experience to level of dissatisfaction in relation to communication (mean = 3, 4184) was bit lower to the average, suggesting that they have less dissatisfaction with communication issues. However, variance of response is higher (1, 545) and range of responses is 5, 50, where there are responses that indicate that they have issues related to dissatisfaction in level of communication as high as 1 and as low as 6, 50. Same is with the responses toward employees (mean = 3, 4694) but with higher variance of 1,879. Comparatively, results suggest that managers perceive a lower level of communication dissatisfaction with other managers compared to employee.

There was a one straightforward question about their level of dissatisfaction on handling of conflict, manager responded bit less with other manager (mean = 3, 86) and bit higher with employee (4, 16) than average. The variance in responses was 1, 137 and 1, 007 respectively with the range of 4 and higher response as 2 and lower response as 4. Comparatively, manager's response suggested that they have higher dissatisfaction of conflict handling with other managers than employee. The calculated level of difference in conflict management style from the manager response has the statistical mean of 0, 0227 and variance of 0, 034. The result indicates that managers have a lower level of difference in conflict management style between other managers and employees.

As from the Table 5 presented below, it can be seen that the mean of the entire field is slightly higher or lower. The total number of response was 56. As employee's responses, the employees have mean of perceived level of conflict (4, 7560) with other employees bit over average (4), indicating that there is a perceived level of conflict. However, it cannot be ignored the variance in response was 1, 125, and the range was 5, 33, it explains that there

were respondents who perceive the level of conflict between them as high as 1, 33 and others as low as 6, 67. In the same way, employee respondent that their perceived level of conflict with the manager is 4, 6845 (mean) that is bit higher than average. Here, also they had higher variance (1, 129) and responses range (4, 67) was also high. Compare the means result, it was observed that employee perceives higher level of conflict with managers compare to other employee.

Following the Table 5 employee's response towards other employees, their experience to level of dissatisfaction in relation to trust (mean = 3, 5655) was bit lower to the average, enlighten the fact that they are less dissatisfied with the trust issues. However, the variance in response is 1,321 and range of data in 4, 67, where there are responses that suggest that they have issues related to dissatisfaction in level of trust as high as 1, 33 and as less as 6. Same goes with the response towards managers (mean = 3, 750), but the variance is higher (1, 391) even though the range between the responses is high (4, 67) and responses to dissatisfaction level of trust is as less as 6, 33. Comparatively, data suggest that employees perceive the lower dissatisfaction level of trust with other employees than managers.

As per the communication issue, employee's response towards other employees, their experience to level of dissatisfaction in relation to communication (mean = 3, 5089) was bit lower to the average, suggesting that they have less dissatisfaction with communication issues. However, variance of response is higher (1, 377) and range of responses is 5, where there are responses that suggest that they have issues related to dissatisfaction in level of communication as high as 1 and as low as 5. Same is with the responses toward managers (mean = 3, 5893) but with higher variance of 1,474 and range of 5, 25. Comparatively, results suggest that employees perceive a lower level of communication dissatisfaction with other employees compared to managers.

Table 5. Descriptive statistic results from responses of employees

	N	Range	Minimum	Maximum	Mean	Std. Deviation	Variance
Perceived level of conflict between employee and other employees	56	5,33	1,33	6,67	4,7560	1,06076	1,125
Level of trust between employee and other employees	56	4,67	1,33	6,00	3,5655	1,14930	1,321
Level of communication between employee and other employees	56	5,00	1,00	6,00	3,5089	1,17354	1,377
Disagreement in handling conflict between employee and other employees	56	6	1	7	4,57	1,399	1,958
Difference in conflict management style between employee and other employees	56	,80	-,19	,61	,0836	,19707	,039
Perceived level of conflict between employee and manager	56	4,67	2,00	6,67	4,6845	1,06253	1,129
Level of trust between employee and manager	56	4,67	1,67	6,33	3,7500	1,17937	1,391
Level of communication between employee and manager	56	5,25	1,00	6,25	3,5893	1,21396	1,474
Disagreement in handling conflict between employee and manager	56	5	2	7	4,46	1,334	1,781
Difference in conflict management style between employee and manager	56	,80	-,19	,61	,0836	,19707	,039

There was a one straightforward question about their level of dissatisfaction on handling of conflict, employee's responded bit higher with other employees (mean = 4, 57) and manager (4, 46) than average. The variances in responses were 1, 958 and 1, 781 and range of 6 and 5 respectively. The responses were higher as 1 and 2 with other employees and manager respectively and lower response as 7. Comparatively, employee's response suggested that they have higher dissatisfaction of conflict handling with other employees than managers. The calculated level of difference in conflict management style from employee's response has the statistical mean of 0, 0836 and variance of 0, 039. The result

indicates that managers have the lower level of difference in conflict management style between other employees and managers.

Besides the main stream of question, the survey questionnaire also had three straightforward questions. One as discussed earlier question related to level of dissatisfaction on handling of conflict. The second question was about the level of dissatisfaction experience in concern to level of communication and third was level of dissatisfaction experience in concern to level of trust. From the Table 6, shows that dissatisfaction between managers in regard to communication issue (mean = 4, 5714) and trust issue (mean = 4, 6531) are slightly over an average, with variance of 1, 625 and 1, 648 and range of response were 6 and 5 respectively. The response indicates that managers in general are less experiencing dissatisfaction in concern to both communication and trust issue. The responses of employees for dissatisfaction between employees regarding the level of communication (mean = 4, 8393) and level of trust (mean= 4, 6786) slightly over an average, with variance 2, 028 and 1, 422 and range of response were 6 and 6 respectively. The response indicates that employees also in general are less experiencing dissatisfaction in concern to both communication and trust issue. Besides, the combined responses dissatisfaction between them and counter group regarding the level of communication (mean = 4, 5333) and level of trust (mean= 4, 7810) slightly over an average, with variance 1, 790 and 1, 442 and range of response were 6 and 5 respectively. The response indicates that between managers and employees in general, they are less experiencing dissatisfaction in concern to both communication and trust issue with each other.

Table 6. Descriptive statistic results from other questions

	N	Range	Minimum	Maximum	Mean	Std. Deviation	Variance
Dissatisfaction level experienced in trust issue between managers	49	5,00	2,00	7,00	4,6531	1,28373	1,648
Dissatisfaction level experienced in communication issue between managers	49	6,00	1,00	7,00	4,5714	1,27475	1,625
Dissatisfaction level experienced in trust issue between employees	56	6,00	1,00	7,00	4,6786	1,19251	1,422
Dissatisfaction level experienced in communication issue between employees	56	6,00	1,00	7,00	4,8393	1,42417	2,028
Dissatisfaction level experienced in trust issue between manager and employee	105	5,00	2,00	7,00	4,7810	1,20081	1,442
Dissatisfaction level experienced in communication issue between manager and employee	105	6,00	1,00	7,00	4,5333	1,33781	1,790

5.2 Correlation analysis

The correlation analysis is the statistical tool that measures the relation between the two variables. The correlation coefficient (Beta) derived from the test reflects the association between two variables. The measures are isolated from the effect of another variable. The correlation coefficient is a measure of strength of association between two variables. The more closely the two variables go, stronger is association between them (Shavelson 1988:139). The coefficient can take the values from -1, 00 to +1, 00. The sign in front of the correlation coefficients indicates the direction of their relationship. The positive sign suggests the positive relation between and negative sign suggests that the variables are inversely related. Higher the value, stronger is the association. Usually, value over +/- 0, 80 are high correlated; +/- 0, 80 to +/- 0, 60 are moderately correlated; +/- 0, 60 to +/- 0, 50 are low correlated and below +/- 0, 50 are very low correlated.

The research uses Pearson Correlation analysis using statistical software SPSS. Thus, further description of analysis and the result would be in respect to output received from SPSS Pearson correlation analysis. However, before jumping directly into the conclusion, it is important to give careful consideration on significant value provided in the correlation analysis. The output result also displays the significant value when the correlation analysis is run. In literature, correlation coefficients having the significant value below 0, 05 are only taken into consideration as statistically significant and their relation is justifiable and the result is considered that the correlation between a variable is not by chance.

The significant level should be below 0, 05, which means that there is only 5% probability that the independent variable does not influence the dependent variable. Assuming a correlation coefficient of two variables (X and Y) is -520 and is statically significant at 0, 05. Then it can be concluded that the value of “X” variable can be determined by the value of variable “Y”. Thus, for every one unit change in value of “Y”, X will change by $-520 \cdot Y$.

5.2.1 Correlation analysis of manager’s responses

Through Pearson’s correlation analysis of 49 responses of managers towards other managers (Appendix 2) indicates the correlation coefficient of relationship between the perceived level of conflict and level of trust is -0, 373 and -0, 435 between the perceived level of conflict and level of communication (significant at the 0, 01 level 2-tailed). The correlation coefficient has the negative sign between level of trust and communication concerning perceived level of conflict. It indicates that the relation between the perceived level of conflict with trust and communication is adversely related. Thus to a positive value increase or decrease in level of communication and trust would result in a negative value decrease or increase in perceived level of conflict respectively. The relation between the perceived level of conflict and the difference is conflict management style between them managers has a positive correlation coefficient +0, 323 (significant at the 0, 05 level 2-tailed).

Beside, the correlation result, the Table (Appendix 2) also suggests that perceived level of conflict within managers has a negative correlation (correlation coefficient of $-0,474$) with the level of trust between manager and employees (significant at the $0,01$ level 2-tailed). There is a positive correlation coefficient of $0,323$ between the perceived level of conflict within managers on the difference in conflict management style between manager and employees (significant at the $0,05$ level 2-tailed).

Even though there is a positive and strong correlation coefficient of $0,707$ between the perceived level of conflict within managers on the perceived level of conflict between manager and employees the relationship is not statistically significant. Same with the perceived level of conflict between managers and level of communication between manager and employees have a negative correlation but the relationship is not statistically significant. Level of trust and level of communication between managers also had a positive correlation of $0,631$, but they were not statistically significant. Same goes with the level of trust between managers on the level of trust between managers and employees, level of trust between managers on the level of communication between managers and employees, level of communication between managers on the level of trust between managers and employees, level of communication between managers on the level of communication between managers and employees (high positive correlation coefficient but the relation between them were not statistically significant). In responses of managers towards employee indicates that the low/ weak correlation coefficient of relationship between the perceived level of conflict and level of trust ($-0,186$) and perceived level of conflict and level of communication ($-0,265$), the negative relation were satisfied but lacked statistical significance between them. There is seen a negative correlation between level of trust and communication concerning perceived level of conflict between managers and employees. A result also suggested positive correlation (coefficient of $0,129$) between differences in conflict management style with the perceived level of conflict between manager and employee but the relation was statistically insignificant.

Beside those indicators, result also showed the positive correlation (coefficient of 0,746) between level of trust and level of communication between manager and employee statistically insignificant.

5.2.2 Correlation analysis of employee's response

Running Pearson's correlation analysis of 56 responses of the employees (Appendix 3) towards other employees, the result indicates that the correlation coefficient of relationship between the perceived level of conflict and level of trust is positive 0.160 but is statistically insignificant. In contrast to managers response, employees response suggested that there is a negative correlation (-0.008) between the perceived level of conflict and level of communication. The result also suggested that there is a weak positive correlation coefficient of 0.174 between differences in conflict management style between employees with the perceived level of conflict between them.

Beside the above result, the response also suggested that a positive correlation between the perceived level of conflict within employees on the perceived level of conflict between employees and manager, between level of trust between employees on the level of trust between employees and manager, between level of communication between employees on the level of communication between employees and manager but do not acquire statistical significance. There is also low/ weak correlation suggested in relationship between level of trust and level of communication between employees which is statistically insignificant. Beside all insignificant, the result suggests the statistically significant relationship at 0, 03 for relationship between level of communication between employees on the level of trust between employees and managers. In response towards the manager, in contrast to a prior similar relationship tested, employees response towards manager suggests that perceived level of conflict has the positive correlation of 0.210 with the level of trust and 0.026 with the level of communication and the result also is statistically insignificant. However, the responses suggest a positive correlation (coefficient of 0.203) between differences in

conflict management style with the perceived level of conflict between the employee and manager but are statistically insignificant.

5.2.2 Correlation analysis of combined responses from manager and employee (for manager- employee relationship)

The responses of both data responses of manager's towards employees and responses of employee's towards manager were combined to derive the manager – employee relationship. Thus, the total responses were 105 (49 of managers and 59 of employees). Running a Pearson's correlation (Table 7) following results were drawn.

Table 7. Pearson correlation coefficients of examined variable to responses from employee and manager

		Perceived level of Conflict between Manager & Employees	Level of Trust between Manager & Employees	Level of Communication between Manager & Employees	Difference in conflict management style between Manager & Employees
Perceived level of conflict between Manager & Employees	Pearson Correlation	1			
	Sig. (2-tailed)				
	N	105			
Level of Trust Manager & Employees	Pearson Correlation	,053	1		
	Sig. (2-tailed)	,588			
	N	105	105		
Level of Communication Manager & Employees	Pearson Correlation	-,108	,592(**)	1	
	Sig. (2-tailed)	,272	,000		
	N	105	105	105	
Difference in conflict management style Manager & Employees	Pearson Correlation	,173	,007	,002	1
	Sig. (2-tailed)	,078	,946	,981	
	N	105	105	105	105

** Correlation is significant at the 0.01 level (2-tailed).

Correlation Table 7 above, as a contrast to an individual response of manager's suggested that level of trust has a positive correlation to perceived level of conflict between manager and employees. The perceived level of conflict and level of communication between manager and employee have a negative correlation (coefficient of -0, 108) but are insignificant. Finally, perceived level of conflict has a positive correlation to the difference in conflict management style between manager and employees. All the relationship explained in manager – employee relationship was statistically insignificant.

Addition to that despite the positive correlation between level of trust and level of communication, the relationship was statistically insignificant.

5.3 Regression analysis

Regression analysis is a statistical tool that a researcher is using for the investigation of relationships between variables. Investigator tries to establish the causal effect of one variable upon another such as the effect of an increase in a price upon demand of the product. The above result can be got from the correlation analysis of collected data. However, they happen to give only the relationship between the two identified variables and ignore the possible that other factors or variables (independent and control variable) collected along can have impact on the relationship between them. Perhaps variable as interest rate, inflation and supply of product to prior example discussed can have effect to the relationship between an increase in price and demand of the product. In this scenario, the importance of regression analysis comes into the picture. Regression checks upon the relation between a variable together with all other independent and control variables identified. Assuming above example, increase in price of product if considered the dependent variable and other as independent and control variables, running regression analysis can have reliable test and measure of relationship between the increase in price and demand of product.

The analysis also provides an investigator with “statistical significance” of the estimated relationships (degree of confidence) that checks to what extent the relationship is truly close to as estimated.

As presented in the Table 8 below, result of manager - manager relationships, it is 31,6 % significant assuring that same result would be achieved when retested later on. The control variable, length of employment is only observed to have high significant rate (at 0, 05) for such a result. That suggest that the correlation (coefficient of - 0, 397) is statistically significant. The perceived level of conflict can be calculated as $-0, 397 \times$ value of length of employment and has probability of error is below 5%.

Table 8. Results of regression analysis

Dependent Variable: Perceived level of conflict			
	Manager – manager	Manager – Employee	Employee – employees
Independent Variable			
Level of Trust	-0.058	0,177	0.223
Level of Communication	-0.259	-0,133	0.110
Difference in conflict management style	0,185	0,152	0,214
Control Variable			
Age	0.155	0,158	0.000
Length of Employment	-0.397*	-0,314	-0.110
Gender	-0.188	-0,125	-0.154
R	0.635	0,368	0.310
R ²	0.403	0,135	0.096
Adjusted R ²	0.316	0,082	-0.017
F	4.616*	2,554*	0.851
N	49	105	56

* $p < 0.05$; ** $p < 0.01$

Data in the table presented standard regression coefficients

The relationship between employees – employees and manager – employees, the probable of a chance to the same result is 1.7% and 8.2% respectively. The result has no statistically significant relationship with independent variable and control variable.

Even though, the correlation result suggested positive to some proposed hypothesis (in individual relation between variables) and supported the direction of relation as proposed, the regression result showed none of the hypotheses to be acceptable, but are partially rejected (as direction of relationship is satisfied but statistically insignificant) or entirely rejected (no statistical significance between them). Thus, when applying all independent and control variable together, all result got from correlation were irrelevant. All hypotheses were rejected as shown in the Table 9 below.

Table 9. Hypothesis testing with survey result by Regression analysis

<u>In Manager - Manager relationship,</u>	
Hypothesis 1a; <i>The difference in conflict management style between managers is positively related to the perceived level of conflict between them.</i>	<u>Rejected</u>
Hypothesis 2a; <i>The level of communication between managers is negatively related to the perceived level of conflict between them.</i>	<u>Rejected</u>
Hypothesis 3a; <i>The level of trust between managers is negatively related to the perceived level of conflict between them.</i>	<u>Rejected</u>
<u>In Employee – Employee relationship,</u>	
Hypothesis 1b; <i>The difference in conflict management style between employees is positively related to the perceived level of conflict between them.</i>	<u>Rejected</u>
Hypothesis 2b; <i>The level of communication between employees is negatively related to the perceived level of conflict between them.</i>	<u>Rejected</u>
Hypothesis 3b; <i>The level of trust between employees is negatively related to the perceived level of conflict between them.</i>	<u>Rejected</u>
<u>In Manager & Employee relationship,</u>	
Hypothesis 1c; <i>The difference in conflict management style between employees and managers is positively related to the perceived level of conflict between them.</i>	<u>Rejected</u>
Hypothesis 2c; <i>The level of communication between employees and managers is negatively related to the perceived level of conflict between them.</i>	<u>Rejected</u>
Hypothesis 3c; <i>The level of trust between employees and managers is negatively related to the perceived level of conflict between them.</i>	<u>Rejected</u>

6. DISCUSSION AND CONCLUSION

The section is based on the discussion of results and findings of the research. As summarized in the analysis section of this research, it is observed that all laid out hypotheses, those build on the foundation of literature and finding of other researchers works, has been rejected. Thus, this section is contributed to discuss why did the finding of this research differed from the presumed hypothesis, findings from work of earlier researchers and literature.

Before heading ahead, the research would light on to a thought that the most interesting about this research is that it's all hypotheses are rejected. Because the rejected hypothesis, those that are structured piece of work as research, gives a possibility of further debate and build new findings that can be contributed in the pool of available literature.

6.1 Discussion

As slightly touched thought, rejection of all hypotheses itself is the most fascinating finding for this research. Before jumping on to the discussion based on literature and prior finding of other researchers, it would be better to discuss what might have been possibly wrong in the procedure and work with this research. Since there was no similar research found from the database and sources that was available and accessible it can be assumed some fault to be present in building up literature, methodology, and questionnaire or even in selecting appropriate statistical analytical tools. The possible discussion of fault can be dealt into two categories in terms of theoretical and methodological reasons.

6.1.1 Theoretical Reasoning to finding

Basically, going through this research, reader can observe that the equivalent amount of study on previous research and literature has been conducted as per the expectation of the master thesis. However, it can also be assumed as an option that, on availability of those inaccessible and unavailable resources the research could have been enlightened to a new direction or goal. In the light of the new idea and direction, it could have had been possible to develop appropriate hypotheses that would have had better results in ration of acceptance and rejection of hypotheses.

Still there is a chance of the possibility that the designed model might not have been appropriate. However, yet it cannot be ignored the fact that the work was constantly consulted with experienced supervisory provided by the university for this research.

6.1.2 Methodological reasoning of finding

It can be assumed the chance of finding of research is due to inappropriate research methodology. Alternatively, in other cases, the qualitative research method as a main research method would have provided different results. It is always possible to propose a toss for those of other alternatives rather those used in case of failure. Thus, perhaps there is a possibility that qualitative method for data collection and analysis would have been more appropriate. However, to conduct the qualitative research method it would have demanded more use of participatory and observation mode for collecting data. Precisely, numerous and debatable responses would have been encountered, that would exceed over set limitation in prior to analysis for research.

In the research, survey questionnaire is developed with the mix of standard questions and theory driven questions were used. Like the structured questions used by many researches of social science to conduct research on social capital theory; structural capital questionnaire for the evaluation level of communication and relational capital questionnaire

for the evaluation level of trust were used. Beside Barki and Hartwick (A typology for the conceptualization and assessment of interpersonal conflict in organizations) model were used as questions to calculate the perceived level of conflict. Only disagreement that respondent observe with other in terms of a task related issue, non-task related and in general were used. Thus, maybe question those develop to estimate the perceived level of conflict is acceptable. However, in case of calculating the difference in conflict management style between them was developed with the combined effort of supervisor's consultancy. However, very well argument is provided under the topic of measure in research methodology section. In short, much effort, care & consideration with a higher degree of time were contributed in developing survey questionnaire.

In the case of selection of statistical analytical tools used for the analysis of survey data of this research, a considerable effort and time were invested. Precisely, this research followed the guidelines of the practiced and recommended analysis tools suggested by researchers from similar work.

Beside above assumptions of probability of error occurrence in the different parts of research, there leaves a room of thought that the error may not have occurred in the research. Highlighting the interviewee's responses that, the finding got from analysis cannot be neither entirely ignored nor totally be accepted and to simple rationale for response is, people in the society are not easily ready to speak about disagreement and issues related to conflict.

The interviewee highlighted some issues. The length of employment is a better indicator and calculating factor. It is because as employment period is high, with time people adapts to the environment and organizational institutional and informal culture. Since the job in commercial bank is highly ranked as socially accepted as high pay, better security and socially honored (as it takes higher degree of education and skill from university and institution or recommendation from renowned individual). Also, the demand is short by

supply of personnel in the local market thus, people are more willing to adopt then quit the job. This challenges the many conflict literature as it produces contrast finding. It can also be seen that may be in the developing countries like Nepal, the financial motivation overcomes the certain drawback received in the workplace as conflict and disagreement that would make them stay and stick into the job than easily quit as contradictory suggestion from literature.

As explained earlier about the short in demand with supply of professional, people in commercial bank are doing their best to stick in job. The interviewees added that, because of that it gives higher authority for higher management to rule over in case of conflict arising. Thus, people understand only that much that they are allowed. This may challenge the labor union reports prepared in Nepalese market, it is basically a truth that labor right still is in remarkably premature stage. Thus, people are seen more unquestioned and uneager to get more than what is asked and provided to them. It can be for that the reason why, respondents responded their level of communication and level of trust as average.

The comment to varying responses received from managers and employees, interviewees proposed that it is because of the difference of the facilities that the company provided and the level of education. It also has to do with length of employment since people enter as employees, work for years and get to establish and learn a procedure and culture. After they gain experience in the company, they are promoted to managers. Thus, it can be the one reason why the responses of manager and employees vary. Besides, the people who are more qualified, they are better treated with respect and are given more flexibility on the level of their expertise field. That is the reason why the higher level of variation in the response of managers and employees was found in data analysis.

The discussion can be stretched more but rather deepening into the discussion further, it would be better to end the discussion and leave some discussion analysis for the readers of this report. Once again, it would be wise to state that the rejection of all hypotheses is the

most interesting thing of the research. Since, it gives rise to more attractive discussion and suggestion.

6.2 Limitations of finding

Addition to all limitations, recognized in the research under the introduction section, there are also some limitation of finding. Before proceeding, it would be better to start by saying even though the paper is related to the banking sector, it has no financial and economic data. So, the research is unsuitable for the field of finance but would be suitable for the researcher and students from business and management study. The study is also useful reference for undergraduate and researcher from the field of social science, psychological and cross-culture studies.

In the finding as discussed earlier under the topic of discussion, the participatory and observation techniques of data collection could have been different. Thus, the limitation can be proposed that finding cannot be very strongly guarantee the true picture of status and environment and more research would be needed. The response rate was high as 70%, of the total populations. Each branch of bank had an average number of professional around 30, that gives a total population of 150. While the total population working in commercial banking sector as a whole is 16, 148 (as explained under the heading of employment in the banking sector in research methodology section). As a conclusion, it can be assumed that despite satisfactory response rate proposed, the research would require higher total population sample and equally higher responses. Thus, the finding from this research can strongly propose general finding for those banks from where data were collected.

The finding got from the analysis of data collected from the survey record if only consider, can mislead the reader. The interview discussion included under the topic of discussion is highly recommended to the reader. In fact, maybe the discussion and argument presented

from the interviewed can justify the findings; those are contrasted to available prior literature.

6.3 Implications for research

The research would be of valuable significant guidelines for people who are studying cross-culture studies. The research can equally be interesting for researchers of sociology, public science, behavioral study, etc. Research justifies that error if present, are possible led down responses of respondents. However, finding is genuinely collected and then verified through a couple of interviews. In fact, looking carefully into the research, there is the possibility that the reader might have an impression that finding provides some unique contribution of its kind and adds to the pool of literature.

The projected finding and discussion put forward in this research paper will be of interest to researchers who is looking for addition view of conflict work in collectivist society.

6.4 Implication for practice

The study would be better for the international organization in developing collectivist nation as Nepal. In precisely, maybe companies like Sonera of Finland (Spice Mero Mobile Nepal Pvt. Ltd), American Express (Yeti Travels Pvt. Ltd.), Mitsubishi Corp etc. would benefit since these company are international company operating in Nepal.

The research points out the financial motivation could be diversion point for attracting talented and high skilled professional and experts. The finding of research also suggests

that despite a small rise in disagreement and conflict with/by new member, the issue of disagreement and conflict issue would get less with the pass of time.

This research could be equally interesting for the INGO's operating in Nepal. The INGO's operating in labor rights improvement in Nepal and in similar environmental setting could use findings as a base point to begin their research and plan their action.

6.5 Conclusion and Suggestion to future researchers

Despite, a lot of the similar research paper based their data collection and analysis method as quantitative research technique, it would be better to keep that in mind. Beside collection of quantitative data, research does include some follow-up qualitative interviews, conducted in an informal manner. In fact, to one thought, the qualitative interview did provide a light on the nature of finding got from the analysis of quantitative data collected from the survey. So, maybe it could be one clue that future researcher in the similar study and in a similar setting could think of using qualitative research methodology over quantitative methodology. In precise order, a researcher could think of using participatory and observation mode of an interview.

In overcoming the issue (may be the respondent did not respond well since people are not comfortable speaking issues related to disagreement and conflict) the mode of data collection as suggested would be worth trying. Maybe more effort and resource allocation should be focused on considering higher population and collecting a higher rate of responses. It would take much time but would make it more accurate and generalized finding. Creating formal contact with the right person in the bank can be a measure issue to gain access. Since people in general are not willing to discuss their issue of disagreement and conflict (unless the issue is extremely serious for an individual) and at least not for answering interview or survey responses for research paper like this.

Research ignores other causes of conflict as stated in the level of conflict such as role conflict, personality conflict, hidden conflict could be better researching field for the future researchers. As to new researchers, it could be suggested that may be more work in developing questionnaire would be better for higher reliability.

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APPENDIX 1.

Introduction

Age: ____ below 20 years ____ 21 -30 years ____ 31- 40 years ____ over 40 years

Gender: __ Male __ Female

Length of your employment in the organization _____ years _____ months

Your position in organization : ____ Manager (minimum of 2 sub-ordinates)

____ Employee (No sub-ordinates)

Instruction how to fill the survey.

- ✓ If you are a manager please complete “Set 1” and If you are employee please complete “Set 2”
- ✓ Please answer all the survey questions from the “Set” relevant to you



How often do you experience disagreements over organizational tasks that need to be accomplished?
 always never

With other Managers	1	2	3	4	5	6	7
With Employees	1	2	3	4	5	6	7

How often do you experience disagreements over issues that are not related to organizational tasks?
 always never

With other Managers	1	2	3	4	5	6	7
With Employees	1	2	3	4	5	6	7

How often do you have disagreement at work in general?

always never

With other Managers	1	2	3	4	5	6	7
With Employees	1	2	3	4	5	6	7

I have a sharing relationship with employees/manager in this organization; we both freely share ideas, feelings and hopes about our work.

	always				never		
With other Managers	1	2	3	4	5	6	7
With Employees	1	2	3	4	5	6	7

In general, I can rely on employees/manager in this organization without any fear that they will take advantage if the opportunity arises.

	always				never		
With other Managers	1	2	3	4	5	6	7
With Employees	1	2	3	4	5	6	7

In general, managers/employees always keep the promises they make.

	always				never		
With other Managers	1	2	3	4	5	6	7
With Employees	1	2	3	4	5	6	7

Have you experienced disagreements or dissatisfaction in your company based on trust?

	always				never		
With other Managers	1	2	3	4	5	6	7
With Employees	1	2	3	4	5	6	7

I have frequent face-to-face communication with managers/employees.

	always				never		
With other managers	1	2	3	4	5	6	7
With employees	1	2	3	4	5	6	7

I have frequent e-mail contacts with managers/employees.

	always				never		
With other managers	1	2	3	4	5	6	7
With employees	1	2	3	4	5	6	7

I have frequent telephone/video-conference meeting with managers/employees.

	always				never		
With other managers	1	2	3	4	5	6	7
With employees	1	2	3	4	5	6	7

I frequently participate in committee/project teams with managers/employees.

	always				never		
With other managers	1	2	3	4	5	6	7
With employees	1	2	3	4	5	6	7

Have you experienced any disagreements or dissatisfaction in your company based on communication?

	always				never		
With other manager s	1	2	3	4	5	6	7
With employees	1	2	3	4	5	6	7

When you experience disagreement with someone, which characteristics listed below best and least suit your typical response or do not suit you at all. Please tick only one option for each item.

	Best suit	Least / Don't suit at all
I tend to keep things away from myself as much as possible. I tend to walk away from the matter.	<input type="checkbox"/>	<input type="checkbox"/>
I don't tend to come into conflict if I know I am wrong in the matter. So, when conflict arises, I tend to keep things myself and wait until the other person accepts that.	<input type="checkbox"/>	<input type="checkbox"/>
I tend to discuss the matter more and try to come to a mutual understanding as I believe in a win-win situation for me as well as the other person I'm in conflict with.	<input type="checkbox"/>	<input type="checkbox"/>
I believe that conflict is a disagreement of both parties. So, to solve it, I tend to agree in being flexible to give out something of mine if the other party is ready to give something in return.	<input type="checkbox"/>	<input type="checkbox"/>
I believe that relationships matter the most to me. So, I tend to accept all what the other does or say. So, in that case, I never encounter being in conflict with others.	<input type="checkbox"/>	<input type="checkbox"/>

Have you experienced any disagreement or dissatisfaction in your company based on the handling of a disagreement?

	always				never		
With other manager s	1	2	3	4	5	6	7
With employees	1	2	3	4	5	6	7

Thank you for the time that you have given to complete this survey. It will be of great help to me.
 The information you have provided will be used in my Master's thesis and will not be used for any other purpose.
 Your identity will remain hidden.
 Thank you once again.

Introduction

Age: ____ below 20 years ____ 21 -30 years ____ 31- 40 years ____ over 40 years

Gender: __ Male __ Female

Length of your employment in the organization _____ years _____ months

Your position in organization : ____ Manager (minimum of 2 sub-ordinates)

____ Employee (No sub-ordinates)

Instruction how to fill the survey.

- ✓ If you are a manager please complete “Set 1” and If you are employee please complete “Set 2”

Please answer all the survey questions from the “Set” relevant to you



How often do you experience disagreements over organizational tasks that need to be accomplished?
 always never

With Manager	1	2	3	4	5	6	7
With other employees	1	2	3	4	5	6	7

How often do you experience disagreements over issues that are not related to organizational tasks?
 always never

With Manager	1	2	3	4	5	6	7
With other employees	1	2	3	4	5	6	7

How often do you have disagreement at work in general?
 always never

With Manager	1	2	3	4	5	6	7
With other employees	1	2	3	4	5	6	7

I have a sharing relationship with employees/manager in this organization; we both freely share ideas, feelings and hopes about our work.

always never

With Manager	1	2	3	4	5	6	7
With other Employees	1	2	3	4	5	6	7

In general, I can rely on employees/manager in this organization without any fear that they will take advantage if the opportunity arises.

always never

With Manager	1	2	3	4	5	6	7
With other Employees	1	2	3	4	5	6	7

In general, managers/employees always keep the promises they make.

always never

With Manager	1	2	3	4	5	6	7
With other Employees	1	2	3	4	5	6	7

Have you experienced disagreements or dissatisfaction in your company based on trust?

always never

With Manager	1	2	3	4	5	6	7
With other Employees	1	2	3	4	5	6	7

I have frequent face-to-face communication with managers/employees.

always never

With Manager	1	2	3	4	5	6	7
With other employees	1	2	3	4	5	6	7

I have frequent e-mail contacts with managers/employees.

always never

With Manager	1	2	3	4	5	6	7
With other employees	1	2	3	4	5	6	7

I have frequent telephone/video-conference meeting with managers/employees.

always never

With Manager	1	2	3	4	5	6	7
With other employees	1	2	3	4	5	6	7

I frequently participate in committee/project teams with managers/employees.

always never

With Manager	1	2	3	4	5	6	7
With other employees	1	2	3	4	5	6	7

Have you experienced any disagreements or dissatisfaction in your company based on communication?

always never

With Manager	1	2	3	4	5	6	7
With other employees	1	2	3	4	5	6	7

When you experience disagreement with someone, which characteristics listed below best and least suit your typical response or do not suit you at all. Please tick only one option for each item.

	Best suit	Least / Don't suit at all
I tend to keep things away from myself as much as possible. I tend to walk away from the matter.		
I don't tend to come into conflict if I know I am wrong in the matter. So, when conflict arises, I tend to keep things myself and wait until the other person accepts that.		
I tend to discuss the matter more and try to come to a mutual understanding as I believe in a win-win situation for me as well as the other person I'm in conflict with.		
I believe that conflict is a disagreement of both parties. So, to solve it, I tend to agree in being flexible to give out something of mine if the other party is ready to give something in return.		
I believe that relationships matter the most to me. So, I tend to accept all what the other does or say. So, in that case, I never encounter being in conflict with others.		

Have you experienced any disagreement or dissatisfaction in your company based on the handling of a disagreement?

always never

With managers	1	2	3	4	5	6	7
With other employees	1	2	3	4	5	6	7

Thank you for the time that you have given to complete this survey. It will be of great help to me.

The information you have provided will be used in my Master's thesis and will not be used for any other purpose.

Your identity will remain hidden.

Thank you once again.

		Perceived level of conflict between managers	Level of trust between managers	Level of communication between managers	Difference in CMS between managers	Perceived level of conflict between manager and employee	Level of trust between manager and employee	Level of communication between manager and employee	Difference in CMS between manager and employee
Perceived level of conflict between managers	Pearson Correlation	1							
	Sig (2-tailed)								
	N	49							
Level of trust between managers	Pearson Correlation	-,373**	1						
	Sig (2-tailed)	,008							
	N	49	49						
Level of communication between managers	Pearson Correlation	-,435**	,631**	1					
	Sig (2-tailed)	,002	,000						
	N	49	49	49					
Difference in CMS between managers	Pearson Correlation	,323*	-,222	-,037	1				
	Sig (2-tailed)	,024	,125	,803					
	N	49	49	49	49				
Perceived level of conflict between manager and employee	Pearson Correlation	,707**	-,196	-,220	,129	1			
	Sig (2-tailed)	,000	,178	,128	,376				
	N	49	49	49	49	49			
Level of trust between manager and employee	Pearson Correlation	-,474**	,758**	,589**	-,207	-,186	1		
	Sig (2-tailed)	,001	,000	,000	,154	,202			
	N	49	49	49	49	49	49		
Level of communication between manager and employee	Pearson Correlation	-,562**	,585**	,874**	-,137	-,265	,746**	1	
	Sig (2-tailed)	,000	,000	,000	,346	,066	,000		
	N	49	49	49	49	49	49	49	
Difference in CMS between manager and employee	Pearson Correlation	,323*	-,222	-,037	1,000**	,129	-,207	-,137	1
	Sig (2-tailed)	,024	,125	,803	,000	,376	,154	,346	
	N	49	49	49	49	49	49	49	49

** Correlation is significant at the 0,001 level

* Correlation is significant at the 0,005 level

Appendix 2. Pearson correlation coefficients of examined variables in response to manager's

		Perceived level of conflict between employees	Level of trust between employees	Level of communication between employees	Difference in CMS between employees	Perceived level of conflict between employee and manager	Level of trust between employee and manager	Level of communication between employee and manager	Difference in CMS between employee and manager
Perceived level of conflict between employees	Pearson Correlation	1							
	Sig (2-tailed)								
	N	56							
Level of trust between employees	Pearson Correlation	,160	1						
	Sig (2-tailed)	,239							
	N	56	56						
Level of communication between employees	Pearson Correlation	-,008	,498**	1					
	Sig (2-tailed)	,954	,000						
	N	56	56	56					
Difference in CMS between employees	Pearson Correlation	,174	-,059	-,058	1				
	Sig (2-tailed)	,199	,668	,672					
	N	56	56	56	56				
Perceived level of conflict between employee and manager	Pearson Correlation	,811**	,182	-,005	,203	1			
	Sig (2-tailed)	,000	,180	,971	,133				
	N	56	56	56	56	56			
Level of trust between employee and manager	Pearson Correlation	,141	,668**	,391**	,118	,210	1		
	Sig (2-tailed)	,300	,000	,003	,388	,120			
	N	56	56	56	56	56	56		
Level of communication between employee and manager	Pearson Correlation	,031	,181	,680**	,188	,026	,472**	1	
	Sig (2-tailed)	,819	,181	,000	,388	,851	,000		
	N	56	56	56	56	56	56	56	
Difference in CMS between employee and manager	Pearson Correlation	,174	-,059	-,058	1,000**	,203	,118	,118	1
	Sig (2-tailed)	,199	,668	,672	,000	,133	,388	,388	
	N	56	56	56	56	56	56	56	56

** Correlation is significant at the 0,001 level

Appendix 3. Pearson correlation coefficients of examined variables in response to employee’s