Organizational Conflicts Perceived by Marketing Executives

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Abstract
This article discusses the conflict phenomenon and examines some strategies to overcome it. Concepts are discussed and employed for the development of an exploratory field survey carried out with Brazilian marketing executives. Results show that conflicts are more felt in the marketing area itself and in near and related areas. Communication is the main source of conflict, followed by different expectations and organizational structure.

Keywords
Conflict, organization, executives, communication, marketing.

Introduction
The potential for conflict exists in every organization. Despite that, little thought is given to organizational behavior analysis, especially in marketing. This complex phenomenon brings implications to social life and its understanding offers insights into a more effective organizational management. The organization is a rich arena for the study of conflicts because there are highly dependent situations that involve authority, hierarchical power and groups (Tjosvold, 1998).

Conflicts can be discussed in a number of different aspects. Some previous works refer to the human aspect of conflict, stressing that conflict doesn’t exist with lack of emotion (Bodker and Jameson, 2001; Jones, 2000) and that men and women, as well as people in different hierarchical levels, deal with it in different ways (Brewer, Mitchell, and Weber, 2002). Jameson’s (1999) article presents a broad evaluation model of conflict assessment and organizational conflict management. Lewicki, Weiss and Lewin (1992), in turn, provide an extensive review and synthesis of 44 main conflict models, negotiation and third party intervention. Oudenhoven, Mechelse and De Dreu’s (1998) work compares the occurrence of conflicts in companies in Denmark, the Netherlands, Spain and Belgium in terms of avoidance, power distance, and masculinity-feminility. Tinsley and Brett’s (2001) work, in turn, evaluates the cultural influence from the United States and Hong Kong in organizational conflicts. Rahim, Garrett and Buntzman (1992) investigate ethics in interpersonal management and Duke’s (1995) concern is on how organizational conflicts affect technology commercialization from nonprofit laboratories. Paltridge (1971) examines organizational conflicts in college presenting cases situations and their resolutions.

More specifically on conflicts in the marketing area, Maltz and Kohli’s (2000) work examines conflict in this area with other functions, such as: Finance, Production and Research and Development (R&D), analyzing mechanisms that managers can use to prevent it or reduce it. In the same line of thought Xie, Song and Stringfellow (1998) and Song, Xie and Dyer (2000) analyze conflict management comparing Japan, Hong Kong, United States and Great Britain during new products launching, as well as the integration of marketing with Research and Development (R&D) and Production.


Studies concerning conflicts in marketing typically consider the reality of American and European organizations. Recent initiatives were made to better understand the management conflict in Asia, as the works of Tinsley and Brett (2001) and Imazai and Ohbuchi (2002). This paper contributes to understand how organizational conflict occurs in the marketing area of Brazilian companies, considering the relationships among this function and other areas, as analysed by Mallen (1963) and Maltz and Kohli (2000), as well as the reasons of conflicts, as approached by Eliashberg and Michie (1984) and Jung (2003). Thus the objective of this article is to understand organizational conflict in marketing and the reasons of its occurrence in Brazilian organizations, searching to answer the following questions: (i) which other area as marketing has more conflict with?, (ii) what are the reasons of conflicts in marketing?, (iii) what are the main problems that lead to conflicts in marketing area?, (iv) what is the relation among functional areas and size and type of company?

For this purpose, a bibliographical study complemented by a field study was made involving marketing executives. The marketing literature regarding conflicts in marketing refers to specific aspects of marketing activities and this study has the purpose to understand the marketing as functional area within the organization. Consequently, three general topics derived by the bibliographical study are
Definition of Organizational Conflict and Development

In a conflict, the minimum of two parts, the so-called agents are in dispute about some issue. Agents can be individuals, groups, companies, state, political parties and others (Pawlak, 1998). Katz and Kahn (1978, p. 615) define conflict as some specific type of interaction, marked by obstruction struggle, constraining or prejudicial act and by resistance or retaliation against these efforts. It is common to understand organizational conflict as opposition to cooperation, as an open discussion between two or more groups in an organization, reflecting cases in which negative manifestations disrupt cooperation by trust destruction and close communication channels (Hatch, 1997). However, in manifestations of positive behavior, conflict can provide benefits for innovations and teamwork and can, as a consequence, foster future cooperative acts and build value for diversity. Conflict and cooperation are just opposite when conflict is defined as destructive. When constructive aspects are in focus, conflict and cooperation are complementary process (Robins, 1974).

At first, conflict was considered highly dysfunctional, the antithesis of cooperation, and was interpreted as a sign of an imperfect or incomplete social structure (Rico, 1964). However, Pondy’s theories (1967, 1969) showed that although unpleasant, it is an inevitable part of an organization. For Pondy, conflict, although regarded as dysfunctional is a natural and inevitable condition and should be accepted. This view deviated interests in studies about conflicts to their sources and fundamental conditions. The view of conflict as something natural helps managers to understand it - not as result of poor management, but as an inevitable aspect of the organization. Pondy further proposed a positive attitude in relation to conflict. This suggestion led to the understanding that this phenomenon can foster innovation and adaptability. This view formed the third variant of the theorization of conflicts and challenged the precepts that organization should be cooperative systems arriving to the functional view of conflict. This perspective suggests that conflict is good for the organization because it provides higher quality decision-making due to differences in opinion. It must be pointed out that over time Pondy (1992) changed his view on organizational conflict. In 1967 he believed that organizations were cooperative, deliberate systems that occasionally experienced conflicts or cooperation breakdown. In 1992 he suggested that an organization was the opposite of a cooperative system: if conflict didn't take place, then the organization had no reason to exist. Long-lasting companies were those who had institutionalized conflicts and diversity in the organization's structure.

Tjosvold (1998) complements this statement arguing that conflict is not the opposite of cooperation but a mechanism that allows to perceive benefits of cooperative work. Furthermore, conflict is considered psychologically and socially healthy. It is psychologically healthy because it provides a breather for frustrations and enables a feeling of participation and even of joy. And it is sociable healthy because it encourages opposition to the status quo and provides conditions for social chances and democracy stemming from pluralism and respect to diversity. Functional perspective adverts that few conflicts lead to negative consequences, for example: groupthink, decision-making without support, apathy and stagnation. Therefore, according to Butler (1973), conflict is ubiquitous, not necessarily dysfunctional and can be required to defy people to perform and stimulate progress.

According to Deutsch (1973), theories in cooperation and competition provide an approach for the understanding of the dynamics and the outcomes of conflict. Cooperative goals lead conflicts to increase benefits and reduce costs, being fundamental for positive conflicts. Cooperative goals lead to mutual exchange and to constructive controversy (open discussion of diverse views), strengthening the quality of negotiated decision, productivity and reaffirming the relationship between disputants which results in success and trust in future collaborations. Competitive goals, in turn, increase the possibility to avoid a direct discussion or, alternatively, a harsh and narrow-minded discussion, with the attempt to force the other in an aggressive way – dynamics that deteriorate decision-making, work accomplished and relationship, giving rise to frustration, aggression, hostility and retaliation. Robins (1983) stressed that if conflict exists it should be perceived by the parties involved. If a conflict exists, or not, is a perception issue.

Marketing environment is very competitive, so it is natural that conflicts emerge. Conflicts in marketing could be enriching as it stimulates the creativeness necessary to be successful in the market. The following topic analyzes vertical and horizontal conflicts that take place within organizations.

Vertical and Horizontal Conflicts

Organizational conflict involves interpersonal conflicts with colleagues or supervisors, or intergroup conflicts within different sections of an organization (Imazai and Ohbuchi, 2002). There are two essential types of conflict in organizations: vertical and horizontal. Vertical conflict occurs in groups of different hierarchical levels, such as supervisors and salesmen, whereas horizontal conflict occurs between individuals of the same level, such as managers in the same organization. In the vertical conflict, differences in status and power between groups are in general larger than in the horizontal conflict (Robins, 1983) because these aspects tend to equalize in equivalent hierarchical levels. When vertical conflict takes place between operational workers and administration, their sources refer to: (i) psychological distance: workers don’t feel involved in the organization and feel that their needs are not met; (ii) power and status: workers feel powerless and alienated; (iii) differences in value and ideology: this difference represents underlying beliefs on objectives and goals of an organization and; (iv) scarce resources: disagreements regarding benefits, salary and work conditions.

In vertical conflict, apparently individuals in lower organizational level seek to avoid conflicts with higher hierarchical levels (Brewer, Mitchell, and Weber, 2002). Pondy (1966) observes that it is expected that the top management peers perceive more conflict internally between their groups than those of lower position. This happens because of the following reasons: (i) people in higher hierarchical level, rather than the lower ones, are engaged in non-routine activities and development of politics, where orientation for the actions are less clear and chances for disagreement, bigger and; (ii) people in higher hierarchical level, rather than the lower ones, are probably less flexible in their points of view. Hence conflict resolution is more difficult.

Considering the vertical conflict, Imazai and Ohbuchi’s (2002) research examines the short-term and long-term effects of perceived fairness in organizational conflicts between employees and supervisors. The authors’ conclusion is that for
employees fairness is important in the resolution of organizational conflicts. When employees realize that there was fairness in the conflict resolution, the bond between the group strengths. The authors add that the perceived and distributive fairness significantly enhances job satisfaction, positive organizational commitment and satisfaction with outcome of conflicts. Once vertical and horizontal conflicts are analyzed, let’s examine the main reasons that cause conflicts.

Reasons of Conflicts

Robins (1983) believes that people are aware of the factors that generate conflicts such as scarcity, obstruction and incompatible interests or goals. Resource scarcity, either monetary, job, prestige or power, encourages the obstruction of behavior and conflict arises. Conflict can also be broken out when one party avoids the goal achievement of the other one.

Reiterating these ideas, Jung (2003) declares that conflict is clearly associated with power and can emerge when goal achievement of an organization is avoided. However, according to Pondy (1966), in situations of routine behavior where procedures are well defined and environment is stable, it is probable that causes for conflicts are not highly correlated with goal and objective achievement. In these circumstances, conflict variables are probably more related to personality, autonomy reasons, functional interdependence and status.

Gordon (1987) cites some reasons that justify conflict escalation in organizations: (i) as departments grow, people lose contact with other departments, or yet, members of a department start to think differently from other areas; (ii) the increase of emphasis in the financial measures as a tool for motivation for managers and the establishment of different profit centers inside an integrated business system end up creating many conflicts; (iii) the increasing rise of emphasis in functional specialization, politics of promotion and recruiting reinforce the isolation of departments, generating conflicts; (iv) today there is more room for workers to show criticism among each other, while this freedom of speech can be beneficial for society as a whole, in organizational context can be transformed into conflicts and; (v) consumers demand lower prices, better quality in products and services, creating pressures so that departments work more effectively which can result in conflicts among departments.

Another reason pointed out in literature for the occurrence of conflicts is the asymmetric degree of interdependence, that affects the level of trust and commitment of the groups (Kumar, Scheer, and Steenkamp, 1995). Asymmetric interdependence occurs when parties have different levels of dependence among each other. That is, in one same group some individuals can depend on people that, in turn, show independence in relation to them. In total interdependence, on the other hand, individuals are totally dependent on one another. Kumar, Scheer and Steenkamp (1995) state that relationships with total interdependence have less conflict than the ones with asymmetric interdependence. For Jung (2003), conflict is smaller in highly dependent relationships because, in general, the dependent party conforms itself that it can not alter the situation and accept the leader’s power.

The reason of conflicts can also lay in relationship conflict, that is the perception of animosities and personal incompatibility. According to Peterson and Behfar (2003), the negative impact of relationship conflict in the group performance occurs in three ways. First, it limits the ability to process information, because the group members spend their time and energy focusing on one another, rather than in group problems. Second, because it limits the cognitive functioning of the group members by increasing the level of stress and anxiety. Third, because it encourages accusations and antagonisms regarding the behavior of the other group which can create a predisposition to hostility and conflict escalation.

Individuals that manage conflicts effectively in organizations are perceived as competent communicators and leaders whereas those individuals incapable of managing conflicts effectively may have problems not only in reaching organizational goals, but also in keeping positive and consistent relationships and solving problems. Individuals that have difficulty in dealing with conflicts also have greater probability to be dissatisfied with work (Gross and Guerrero, 2000).

Previous theoretical reviews outlined definition, vertical and horizontal conflicts in organizations and reasons of conflicts. To check how organizational conflict occurs in Brazilian organizations and in the marketing area a field survey was developed. The method and result analysis are presented as follows.

Field Survey Method

The sample was drawn from a list of Executive MBA students. The questionnaire was delivered to 182 marketing executives and 101 valid questionnaires were returned.

The exploratory research was based on Brazilian marketing executives holding jobs as supervisors or coordinators (19,8%), managers (61,4%) or higher levels – directors or company owners (18,8%). Executives average age is 34 years, ranging from 25 to 48 years. Of all interviewees, 56% work in industry, 33,7% in services and 9,9% in other types of companies. As for company size, 4,0% are small, 32,7% medium and 63,4% large. The interviews were conducted during the first and second semester of 2003 and first semester of 2004. Contacts were either made in person or via e-mail. The collecting tool was a structured and non-disguised questionnaire with close-ended questions, designed from literature review and previous studies. The literature review leads to the following items to be investigated in the field research: (i) areas where marketing function has conflicts; (ii) reasons of conflicts, (iii) main problems of conflicts, (iv) frequency of conflict in the organizational areas.

The questionnaire was complemented with interviewees’ personal data and company’s general data that were related to other variables later on. For data treatment and analysis the SPSS software (version 11.0) was used with univariad, bivariad and multivariad techniques (factorial and multidimensional scales). The most interesting results are analyzed in this article.

Results

In the conducted research, when asked about conflicts that occur above, below and in the same hierarchical level that they work, executives state that in general they occur more in higher hierarchical level and less between subordinates, what is in accordance with Pondy’s (1966) observation that it should be expected that high status peers to perceive more conflict with each other than low status peers with each other because: (i) high status persons, more than low status persons, are engaged in more non-routine, policy-making type activities where the guides to action are less clear and the chance for disagreement is greater; (ii) high status persons, more than low status per-
In the interviewee’s point of view, the most powerful area in the company is Sales (38% mentioned it). Marketing itself (24%), Finance (14%) and Production/Operations (13%) were also mentioned as a powerful area. Sales is cited as the one with more conflict (22%), followed by Finance (18%), Production/Operations (17%), Marketing (16%) and Informatics (11%). Therefore, marketing executives feel a greater degree of conflict with Sales and also cites it as the area with the greatest power, in accordance with Jung (2003) that state that conflict is clearly associated with power. It is also noted that conflicts are more frequent in areas where contact with executives is more intense, that is, in the marketing area itself or where relationship is close, such as in Sales.

In order to understand the reasons for conflicts, interviewees were asked to indicate in each alternative his/her best answer, where the scale used ranged from 1 (never) to 7 (always). The highest average found refers to communication problems, which reiterates Maltz and Kohli’s (2000) statement that language barriers are basic sources of perceived conflict. Other important reasons are different expectations, problems with organizational structure and power and status. It is worth mentioning that salary comparison, within the items listed, is the one that least generated conflicts. Table 1 shows results obtained.

The factorial analysis allowed a reduction of 16 variables (reasons for conflicts) in five factors represented in Table 2. Factor 1 refers to administrative problems in general (that are inclusively a great source of conflicts), factor 2 to lack of synchrony of activities, factor 3 to problems of goal achievement, factor 4 to adaptation to the environment and finally factor 5 to individual differences. Hence, the marketing manager that had to deal with conflicts could focus the efforts on problems of these five items rather than the 16 mentioned earlier. Apparently there wouldn’t be major difficulties to solve administrative problems, once causes and actions taken are identified.

Conflicts were also analyzed according to size and type of company in spatial maps of averages (Figures 1 and 2). The spatial maps of averages present themselves as an alternative

<table>
<thead>
<tr>
<th>Table 1</th>
<th>Reasons for conflicts</th>
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<tr>
<td>Reasons</td>
<td>Valid Answers</td>
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<tr>
<td>Communication problems</td>
<td>101</td>
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<tr>
<td>Different expectations</td>
<td>100</td>
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<tr>
<td>Problems with organizational structure</td>
<td>101</td>
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<td>Power and status</td>
<td>101</td>
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<td>Lack of agility</td>
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<td>Non-fulfillment of goals</td>
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<td>Lack of cooperation</td>
<td>100</td>
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<td>Lack of resources</td>
<td>100</td>
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<td>Disagreement regarding goals</td>
<td>100</td>
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<td>Uncertainties</td>
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<td>Different experiences</td>
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<td>Cultural differences</td>
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<td>Policy of bonus and rewards</td>
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<td>Environmental changes</td>
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<td>Lack of adaptation to work</td>
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<td>Salary comparison</td>
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* Although the scale is ordinal, averages were used instead of medians in order to capture small differences between answers.
to average tables because it uses Euclidian distance to explain the differences between the averages. It associates two variables, as follows: (i) conflict frequency in the marketing area and (ii) size of company (small, medium and large) or type of company (commerce, industry and services). Multidimensional scales were used in the analysis of these variables. Since the Euclidian distance enables numerous options that influence the analysis, removal of line average (functional areas) was used, focusing the analysis on columns (size and type of company). Therefore, the general differences of lines didn’t influence the solution. All lines were centralized to the same value, focusing the differences on analyzed groups (SPSS, 2001). Figure 1 suggests that in large companies conflicts are more associated with Planning, R&D and Informatics, while in small companies conflicts are more associated with Logistics. In medium-sized companies conflicts are more associated with Quality and Production/Operations.

Analyzing the type of company (Figure 2), it is noted that those classified as industry have conflicts related to Quality, R&D and Production/Operation areas, whereas in service companies conflicts are more associated with Informatics. The result found for the industry may reflect the complexity that involves the development of physical goods, where participation in R&D and Production/Operation areas are notorious.

When diagnosing these tendencies and relationships according to company type and size, managers can deal with conflict resolution more easily, directing their efforts towards areas where relationships are more delicate.

**Final Considerations**

Conflicts are part of human nature and it is extremely important to study it not only for theoretical purposes but also for organizational practice. Pawlak (1998) suggests that conflict analysis and its resolutions has an important role in private, public and political organizations, as well as in judicial and work disputes, in military operations and many other situations.

Traditionally in marketing a great deal of attention is devoted to the consumer rather than to organizational issues (Jung 2003). However, this doesn’t seem to be the more appropriate approach because the attention to one aspect doesn’t eliminate or minimize the importance of the other one. The understanding of organizational environment and the relationship between the organization’s members is vital for the effective functioning of the areas, including marketing. Therefore, marketing studies that already enhance conflicts in distribution channels should also investigate conflicts that take place within organizations. According to field survey results, special emphasis should be given to communication problems, different expectations and problems with organizational structure. Internal conflicts that break out within the marketing area and within related areas such as sales should also be given attention.

Conflict resolution depends on a lot of factors such as types of companies, personalities of individuals and culture of an organization. The influence of all these factors turns the management of this phenomenon still more complex. For this reason it is recommended to organizations to follow-up group interactions and activities so as to ensure a degree of functionality compatible to conflicts. Positive conflicts will only be possible if particularities of the organization are analyzed. This involves an awareness of the employees’ profile, as well as of the relationship between departments and hierarchical levels and of the rules shared that guide behavior.

Despite being exploratory, this research reveals situations and conflict trends, providing reflections on how to deal with this issue. New ideas can emerge from this article and may address organizational conflict in a more specific and deep way. In future articles, conflicts should be explored, for instance, in terms of styles, consequences and occurrences in distinct functional areas and across different cultures and countries.
References


SPSS (2001), Advanced market research, SPSS, Chicago.


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