MANAGING CONFLICT IN CROSS FUNCTIONAL PROJECT TEAMS:

CASE STUDY AT MODENAS

NORIZATULHUDA BINTI RAZALI

A thesis submitted in fulfillment of the requirement for the award of the Degree
Technology Management (Innovation)

Fakulti Pengurusan Teknologi dan Teknousahawanan

Universiti Teknikal Malaysia Melaka

JUNE 2013

SUPERVISOR APPROVAL

I/We hereby declare that have read this works and in my/our* opinion this

works is sufficient in terms of scope and quality for the submission Bachelor of

Technology Management (Technology Innovation)

Signature   :………………………..

Name of Main Supervisor : Pn. Edna Binti Buyong

Date   : 25 June 2013

Signature   : ………………………..

Name of Panel Supervisor : Dr.Norfaridatul Akmaliah Binti Othman

Tarikh   : 25 June 2013

delete unrelated

DECLARATION

"I declare that thesis entitle 'Managing Conflict in Cross functional project teams

a case study at MODENAS' is the result of my own research except

as cited in the references"

Signature   : ……………………..

Name   : Norizatulhuda Binti Razali

Date   : 25 JUNE 2013

ACKNOWLEDGMENTS

I am grateful and would like to express my sincere gratitude to my supervisor Madam Edna Binti Buyong for providing this interesting and exciting topic and then providing his guidance, assistance and encouragement throughout the duration of the PSM (Project Sarjana Muda). I appreciate his consistent support from the first day I applied to graduate program to these concluding moments.

To all my committee members, thanks for the comments and suggestions given which is crucial for the successful completion of this training. Special thanks to my lovely parents for their support, love, dream and sacrifice throughout my life. I would like to appreciate their devotion, support and faith in my ability to attain my goals. I hope that this project report has benefited greatly to others.

ABSTRAK

Organisasi semasa memberi tumpuan kepada gambaran tentang peranan menguruskan konflik dalam pasukan projek bersilang fungsi. Projek bersilang fungsi pasukan projek dalam tenaga kerja yang bersepadu membolehkan akses kepada perisikan yang digabungkan, membawa bersama bakat khusus membentangkan bidang kewangan (Hsich 2009). Kajian ini menyiasat tentang bagaimana orang-orang dari sokongan pemasaran, penyelidikan dan pembangunan produk dan seksyen jabatan pengeluaran masing-masing di kalangan pasukan organisasi MODENAS dan menguruskan konflik dalam kerja-kerja projek mereka. Kajian ini bertujuan untuk mengenal pasti konflik pengurusan pasukan pengaruh amalan dan prestasi projek. Untuk meningkatkan penyelidik menilai hubungan antara penglibatan pekerja dan produktiviti di tempat kerja. Analisa resolusi penyelesaian konflik amalan sama untuk mengurangkan konflik dalam pasukan projek. Kajian itu dijalankan dalam dua peringkat, temuduga penerokaan dan kajian soal selidik. Kajian ini bertujuan untuk menentukan sama ada yang berorientasikan emosi yang tidak dapat diselesaikan konflik dan tugas berorientasikan boleh mempunyai kesan kepada prestasi pasukan. Yang berikutnya pendekatan terbaik yang diguna pakai untuk mengendalikan emosi dan berorientasikan tugas konflik ditentukan digunakan. Lalu pengalaman pengurusan konflik pekerja untuk mempunyai pengaruh yang positif dalam pengendalian petugas berfungsi. Pembiayaan ini menyediakan implikasi untuk penyelidikan lanjut dan amalan pengurusan dari segi pengurusan konflik dalam organisasi.

KEYWORDS: pengurusan konflik, pasukan projek organisasi, hubungan antara pekerja dan pasukan projek bersilang fungsi, prestasi pasukan

ABSTRACT

Current organization literature focuses on describe the role of managing conflict in cross-functional project teams. Cross functional project team function in an integrated manpower enable access to combined intelligence, bring together specialized talents presenting financial areas (Hsich 2009). This study investigates about how people from support from marketing, product research and development and manufacturing section department of their respective among the organization teams in MODENAS perceive and manage conflict in their project work. The research aims at identify conflict management practice influence teams and project performance. To improve the researcher evaluates the relationship between employee involvement and workplace productivity. Analyze the conflict resolution practice corresponding solution to be reducing the conflict in project teams. The survey was conducted in two stage, exploratory interview and questionnaire survey. The study aims to determine whether unresolved emotion-oriented and task oriented conflict could have effect on team performance. Subsequence the best approach adopted to handle emotion oriented and task conflict is determined used. Past conflict management experiences of employee to have positive influence in the handling of cross functional project task. The funding provides implications for further research and management practice in term of managing conflict in organization.

KEYWORDS: conflict management, organization project teams, relationship between employee and cross functional project teams, team performance

TABLE OF CONTENTS

CHAPTER 2 LITERATURE REVIEW

CHAPTER 3 RESEARCH METHODS

CHAPTER 4 DATA ANALYSIS AND FINDING

CHAPTER 5 DISCUSSION AND CONCLUSION

LIST OF TABLE

LIST OF FIGURE

NOMENCLATURE

MODENAS   Motosikal dan Enjin Nasional Sdn. Bhd

CDP   Conflict Dynamics Profile

LAM   Logical Argument Mapping

ANOVA   Analysis of Variance

TRA   Theory of Reasoned Action

SPM   Sijil Pelajaran Malaysia

MRA   Multiple Regression Analysis

CHAPTER 1

INTRODUCTION

1.0 Introduction

Conflict is a state of unresolved differences within an individual, between individuals and individual and a group, or two or more groups. Conflicts of some kind occur throughout the career. To turn it into a positive factor, it must be managed in a way that will benefit to employee and organization. Some conflict is inevitable given the type of work that employee do. Also, some debate is necessary if each people in teams are to run successful firms. Accepting that conflict is embedded in the work to do, employee needs to develop ways of managing it without causing distress.

Communicating outside the team is essential, internal team communication is equally important. Respect and trust are fundamental in cross-functional project teams, even more than other departmental teams. Team members often have to compete for organizational resources, so when organization need ask them to work together, spend sufficient time building trust and creating an environment of open communication (Rahim 2000). This team has to be very diverse in the way they think, analyze, and solve problems. Aware of the Forming, Storming, Norming and Performing model of team development, and do what team members to guide team project through these

performance stages (www.mindtools.com). In particular, consider Conflict Resolution, and a lot of time for group decision making.

Cross-functional teams are significantly different from teams that are aligned on one functional level. For example, a group of engineering people generally "speak the same language," and they have a solid understanding of what their department is to accomplish the mission strategic. With a cross-functional team, company may have a wealth of expertise from each department that allows improving the performance of a project with efficient and each person has his or her own perspective. This diversity is both the reason why cross-functional teams can be highly effective, but it's also the reason that they're often problematic.

1.2 Problem statement

Nowadays, I will see the conflict as a normal issue in organization. More and more conflict is being perceived and accepted in such stressful project teams. If company ignores this problem, the performance in cross functional project team will down and the end can affect quality in production. Cross-functional teams consist of people from different parts of an organization. Information must be made understandable to all staff but the handling the team members maybe have a conflict. Technical, marketing, and all other types of information from each department must come in a form that all members of a cross-functional team can understand.

2

1.3 Research questions

Since most organizations today run multiple projects and employees often find serving on a variety of project teams. The conflict is almost inevitable. Not all conflict is unhealthy though. Conflict has the potential of bringing out the best from individuals and teams and building rapport when it is directed towards the goal.

So, the research question discuss about How to improving the workplace productivity with handling emotion and task oriented project? What factors determine when conflict can manage their team productivity? How to reduce the conflict in project teams?

1.4 Aim and objectives

The purpose of this research is to study a conflict management framework applicable to typical in MODENAS company as an automotive industry so as to create a positive conflict environment for cross functional project team of representatives from marketing, product development and manufacturing. To complete this purpose, the following objectives a defined:

- To analyze the relationship between conflict and workplace productivity.
- To determine conflict resolution practical and approach as a way in cross functional project team.
- To analyze the team performance in cross functional project against established target as a way of measuring the effectiveness of managing conflict.
- To examine the impact and resolved emotion-oriented and task oriented conflict on project teams.

3

1.5 Scope of study

Managing the conflict in cross functional project teams must be handling in order for the corresponding solution to be reducing the conflict in project teams. Conflict can be useful, since it can push conflicting parties to grow and communicate, and it can improve conflicting ideas.

However, this can only happen if understand why the conflict is there in the first place. Once we've identified the root of the problem, it can take the right steps to resolve it.

1.6 Limitation

Managing conflict in cross functional project teams in MODENAS. In the case study, the limitation researcher has to handling the employee in each department to share their experience in workplace.

Differences between each department will not be a part of this research and organizational culture's impact on conflict management will not to be taken into consideration, instead the research will be done from a general perspective. Moreover the research will focus on project teams where most work is done face to face and not virtually.

4

1.7 Importance of the study

The importance of this research is to attract the conflict as not given force to their employee work in cross functional project teams and given more experience, improve their performance and effective in workplace.

1.8 Summary

From the point of view, managing Conflict which can effectively improve the performance of projects undertaken. In addition, be able to identify ways to overcome the inherent Conflict in teams.

Chapter 2

LITERATURE REVIEW

2.1 Introduction

In this chapter review about comprehensive, critical and contextualized. That discuss about on going to do and what researcher refer, reference and read on. The research need to identify and review those relevant to work. The literature review is not the place to present research data. It contains secondary sources only. This is discuss more about theories about managing conflict in cross functional project teams from books, journal and related article for application in research analysis. The updates and development in the focus area of our research from internet sources will support the research analysis. The literature is divided into two parts review. The first focuses on managing conflict and second about cross functional team.

2.2 Cross functional project team

This basically refers to the practice of assembling project teams using members of the organization from different functions. A project teams is often defined as two or more people with some shared purpose who assume different responsibilities, depand on each other, coordinate their activities, and see themselves as part of the group according to Boddy (2002, p.108). Typically, this would involve selecting a number of specialists under a generalist project manager. The role of project manager can be particularly demanding when using cross-functional project teams. Apart from being an expert at project management, the project manager must also have enough general knowledge to understand what his specialists know and how it can be used. The project manager must also be skilled at conflict resolution, which is more likely to happen within a diverse group. As with all projects but perhaps more so for cross-functional project teams, proper planning is required, which involves clear definitions of the roles and responsibilities of the project team, as well as a timeline and cost estimation (Zoerman 2008).

2.3 Conflict management

According the Rolott (1987), organizational conflict occurs when members engage in activities that are incompatible with those of colleagues within their network, member of other collectivities, or unaffiliated individuals who utilize the services or products of the organization. Conflict management styles have generally been studied as individual characteristics or tendencies. An individual's conflict style comprises a behavioral orientation and general expectations about his or her approach to conflict. This conception does not prevent an individual from changing styles or enacting behaviors not typically

© Universiti Teknikal Malaysia Melaka

associated with a particular style. Rather, it contends that individuals choose (though often not consciously) a pattern of principles to guide them through episodes of conflict. Previous studies have shown the utility of identifying team-conflict styles (Kuhn & Poole, 2000; Poole & Roth, 1989a,b; Sambamurthy & Poole, 1992). Nevertheless, conflict management may be further understood by investigating how it is embedded in different contexts, such as the work group or the organization. Individuals who choose certain conflict management strategies do not do so in a vacuum, and the team or the organizational context most likely has an impact upon them (George & Jones, 1997). A team conflict management style that has emerged over time and is based upon interactions may affect relationships among members by influencing their communication climate as well as the roles they assume (De Dreu & Beersma, 2005). Conflict at senior levels surrounding appropriate parts of action what may be termed substantive, cognitive or issue-oriented conflict is essential for effective strategic choice (Rahim toward dev theory). Conflict maybe used as an indicator of the effectiveness of the organizational management. Very little or no conflict may imply that the operation of the whole organization is stagnating. On the other hand, too much uncontrolled conflict is detrimental to an organization. The relationship between conflict intensity with job performance is approximately an inverted-U function as suggested by Rahim (2001) will shows follow the figure 2.1. At a moderate level of the conflict intensity, the job performance reaches its optimum level. At either extremes of the axis of conflict intensity, the job performance level is low. It has long been recognized, as rightly pointed out by Robbins (1974), managing conflict is one of the major responsibilities of all administrators.
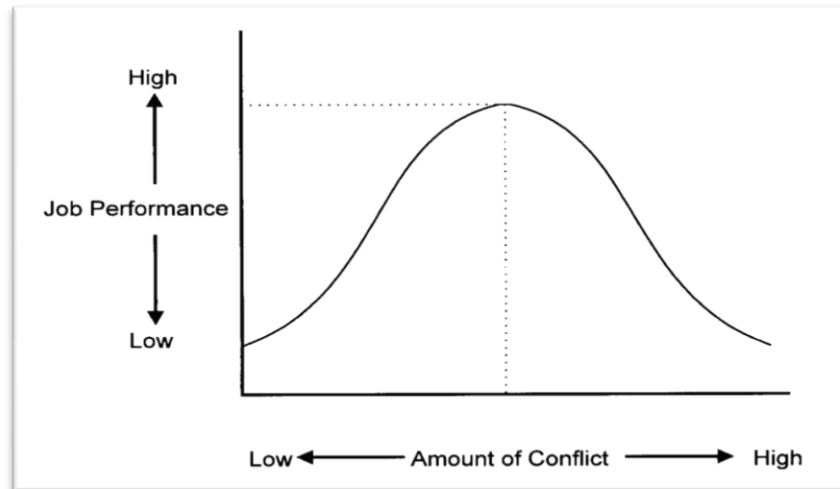
Figure 2.1 Relationship between amount of conflict and job performance

Positive	Negative
Clearing the air. Allowing people to air their grievances can sometimes lead to an improved atmosphere after the disagreement has finished. This serves to bring hidden agenda out into the open	**Wasting time and energy**. A simple decision can be quick to implement, but negotiation can take an inordinate amount of time. Often participants forget original purpose of negotiation and get caught up with fighting.
Understanding each other position. When both sides of an agenda are brought out into the open, employee must think through their own case in order to express it clearly and grasp the other point of view in order to challenge it.	**Stress**. Conflicts can become quite personal, abusive and threatening. The postures taken by the two sides can lead to further stress. Mental exhaustion may come from prolonged debate
Modification of goal. One side may relize how unpopular or impractical the consequences of their argument maybe.	**Worsening the situation**. Conflict may highlight problems, dislikes and grievances better left unstated. Tension

9

	may escalate debate into action. Strikes, lock-outs, work-to-rule, threatened or implied redundancies. Consequences may be unpleasantness with worse morale and industrial relations after negotiations than before.

<div align="center">Table 2.2 Consequences of conflict</div>

2.4 Type of Conflict

Thomes (1976) define conflict as the process which begins when one party perceives that another has frustrated, or is about to frustrate, some concern of his. Wall & callister (1995) believed that conflict accurs when an individual or group feels negatively affected by another individual or group. Organizational conflict can be classified into the following four main types on the basis of organizational levels (Rahim, 2001). Different types experience conflict differently. (Killen,2003)

- Intrapersonal conflict. Its accurs when an organizational member is required to perform certain tasks and roles, which do not match his or her expertise, interests, goals and values
- Interpersonal conflict. This refers to conflict between two or more organization members of the same or different hierarachical levels or units. The studies on superior-subordinate conflict relate to this type of conflict.

- Intragroup conflict. This refers to conflict among members of agroup, or between two or more subgroup within a group. Such a conflict may also occur as a result of incompatibilities or disagreements between some or all the members of a group and its leaders.

- Intergroup conflict. This refers to conflict between two or more units or groups within an organization. Conflict between line and staff, production and marketing, and headquarters and field staffs are examples of this type of conflict.

(Palled & Adler, 1994) have found that not all types of conflict could be beneficial to an organization. Focused on effect of two other types of conflict is a task oriented conflict or sometimes also being described as cognitive or task conflict and emotion oriented conflict also known as affective conflict, emotional conflict or people oriented conflict on organizational performance. The definition of these two types of conflict are shown as follows (Amason, 1996,)

- Task-oriented conflict. Disagreement due to difference in judgment/ opinion about ideas or procedures concerning a task on which the team is working.

- Emotion oriented conflict. Disagreement due to personal incompatibilities. Resentment or disputes rather than focusing on specific ideas.

The development of the organizational conflict and conflict management is summarized in this figure.