# CAUSES OF CONFLICT AND ITS EFFECTS ON ORGANIZATIONAL PERFORMANCE IN BUREAUS OF AMHARA NATIONAL REGIONAL STATE

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**INDIRA GANDHI NATIONAL OPEN UNIVERSITY**

**APRIL 2012**

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**This dissertation is submitted in partial fulfillment of the requirements of M.A. (Public Administration) of the Indira Gandhi National Open University**

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**CERTIFICATE**

Certified that the Dissertation entitled ***Causes of Conflict and its Effects on Organizational* Performances in Bureaus of Amhara National Regional State** submitted by ***Tigist Abreham Walle*** is her own work and has been done under my supervision. It is recommended that this Dissertation be placed before the examiner for evaluation.

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***ABSTRACT***

*Conflict is a basic fact of life in groups and organizations and it is not surprising when it occurs. The very nature of organizations guarantees the emergence of conflict. The interaction of the organization with different bodies leads to conflicts. Since people in the organization are coming with different needs, goals, interests and values, then this difference and the incompatibility of needs, goals, interests and values may develop in to conflict. The causes of conflict are; resource scarcity, incompatibility of thought, values or goals and power or authority, task interdependence, scarce resources, ambiguous rules and communication problems might lead in to organizational conflicts. ANRS bureau of Trade, Industry and Investment Promotion, Micro and small Enterprise Development Agency & Transport Authority is not exception since it has its own organizational goal and the attainment of the goals is directly related to managing conflicts. In order to examine the causes of organizational conflicts and its effect on organizational performance in the Amhara Region Bureau of Trade, Industry and Investment Promotion, Micro and Small Enterprise Development Agency, and Transport Authority data was collected from seventy four employees, process owners, deputy heads and heads of the Bureaus. The results indicate that there are conflicts in all the surveyed bureaus and the major causes of organizational conflicts are related with sharing of limited resources that result in workers dissatisfaction as employees always compete for the scarce resources, unequal distribution of power & resources /human, financial & material/, poorly designed work flow and uncoordinated activities among departments. Furthermore, findings show that organizations are greatly affected both positively and negatively by conflicts in terms of performance and wastage of scarce resources. It was recommended that managers in various organizations should encourage open communication policy so that all employees should get the right information at the right time that will inspire managers in various organizations to develop best strategies on how to resolve conflicts in their organizations; specifically managers should be in a position to understand the causes of organizational conflicts in their sphere of management and then develop appropriate strategies to resolve conflicts at the infancy stage.*

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